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*from a Cartoon
in Detroit News*

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By HENRY STEAD

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What is the relative rank of the officers in the Navy and Army?
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Was Alsace-Lorraine always French until 1871?
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What is the Monroe Doctrine?
What is a Czech?
How did the Germans originally acquire New Guinea?
Who owns the Suez Canal?
Which are regarded as the greatest battles of the world?
How wide is the Rhine?
What is the area of Egypt?
How did Germany get Heligoland?
What sort of weapons were used before cannon came into use?
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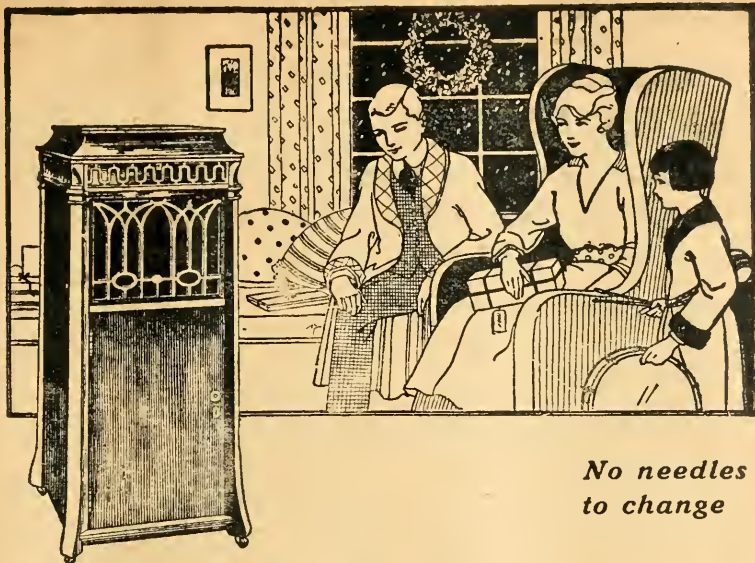
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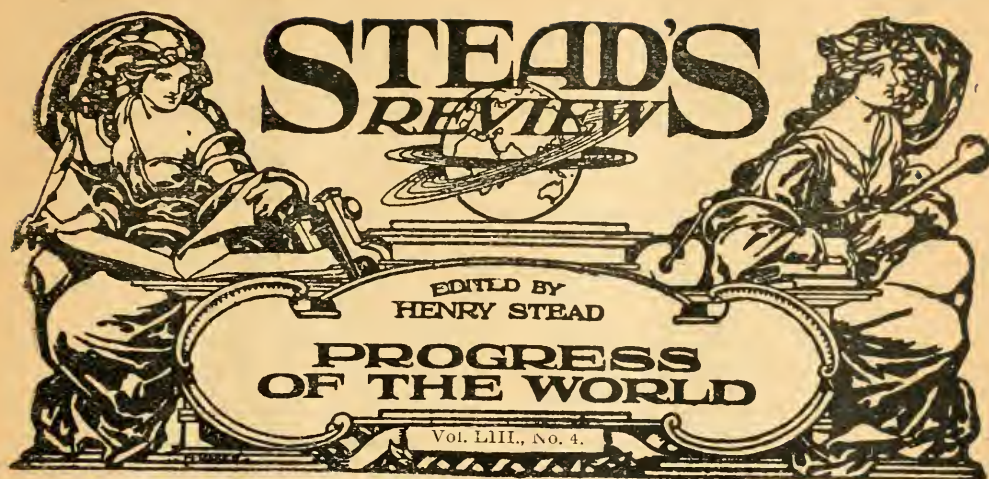
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The news which is now coming from Europe gives proof that the American Senate, in refusing to ratify the Treaty, has pulled out the key pin on which the after-war settlement depended. Although President Wilson lamentably failed in his attempt to make a peace based on his Fourteen Articles, the Treaty the Germans were finally called upon to sign was nevertheless drawn up largely under the influence of America, was altogether based on active American co-operation. Had Wilson not taken so strong a hand a very different peace would have been made, a peace of the old school, a peace which insisted on strategical boundaries, buffer states, and military occupation. Now that it is clear that, even if they do accept the Treaty with modifications, the Americans will have nothing whatever to do with upholding its terms in Europe, it is palpable that French, Italian and, in lesser degree, British statesmen hanker after remodelling the terms to fit the new circumstances, desire to secure peace, not by the American plan of a League of Nations and mutual co-operation, but by making it utterly impossible for Ger-

many to recover her lost power, or take for a long time any prominent part in commerce and production.

German Opposition Welcome.

Already the refusal of the German Government to surrender the so-called war "criminals" has caused France to utter threats about detaching the provinces west of the Rhine, and occupying more bridge-heads on that river. It appears, indeed, as if the Allies would welcome a determined attempt on the part of the Germans to evade the carrying out of the Treaty terms, because this would give them the opportunity they desire of bringing into the Treaty those things which, in deference to Wilson, they were constrained to omit. There can be no question that America's was the dominant voice at the Peace Conference. To meet President Wilson's wishes it was worth while estranging Roumania, Poland, even Italy. In maintaining world peace the United States counted infinitely more than all three together. But with the withdrawal of America to a splendid isolation in the new hemisphere, the entire position was altered. The good-will of

Italy, of Roumania, of Poland, is vital to the establishment of that balance of power which French statesmen regard as the only safeguard of European peace. France gave up her demand for permanent military occupation of the Rhine Provinces only when Wilson undertook that American troops should pour across the Atlantic in the event of Germany attempting to deal a blow at her hereditary foe. Now that the Senate has shown that Wilson could not carry out his solemn pledge, the French will certainly seek a favourable opportunity to make the temporary occupation permanent, and England would not be able to prevent them from so doing. The barrier between France and her enemy was to have been American and British troops. The former of these not now being available, statesmen at Paris will surely attempt to make a permanent barrier of the Rhine.

Tragic Effect of America's Withdrawal.

We have only to look over the accounts issued concerning the doings of the Peace Conference to realise how great a part President Wilson played in it. Realising this, we can understand what tragic effect the determination of Americans not to meddle in European affairs must have on the whole situation. It was Wilson who opposed the Italian occupation of Fiume and Dalmatia, and France and England supported him because it was far more important to have active American participation in keeping the peace in Europe, than it was to conciliate Italy. Now that the anticipated active participation will not eventuate, the desires and actions of Italy are immensely important. The maintenance of the balance of power in favour of the *Entente*, depends now almost altogether on Italy. Germany is apparently already coquetting with her. She can bargain with France and England as she bargained with them in 1915. Her price then was Trieste, and half Tyrol. Now, it may well be Fiume and the entire Dalmatian coast, to say nothing of territory in Asia Minor and Africa. Failure to pay the price means that Italy may swing to Germany and France would again be obliged to maintain a large army on her Italian border; would have to immobilise many divisions there in the event of German at-

tack, as she had to immobilise them in August, 1914. It was Italy's definite promise of neutrality in 1914 which saved Paris and France, for Joffre, on the strength of it, was able to detach these divisions from the frontier, and throw them into the battle of the Marne at the critical moment. On the other hand, if France and England, to secure Italian alliance, agree to the Adriatic becoming an Italian sea, a desperate struggle in the Balkans is almost inevitable, and war in the Pandora box might once more ignite the entire European powder magazine. Still, without America behind them, England and France will almost certainly have to take the risk.

Roumania's Improved Position.

Roumania's exorbitant demands were opposed by Wilson at the Conference, and as Roumania weighed nothing in the scale against the United States in world affairs, Wilson secured the support of the other Allies. But now that American assistance in maintaining peace in Europe is not to be expected, the importance of Roumania has greatly increased. We have already seen how she was able to invade Hungary, and occupy Buda-Pest, despite the official protests of her Allies, and there can be no question that, with the possibility of an alliance between Hungary and Germany always before their eyes, statesmen of France and England would be anxious to conciliate the Roumanians, with the object of securing their active co-operation should need arise. We may take it therefore that the withdrawal of the United States means that Roumania will get the added territory she demands in Hungary, and will likely be confirmed in possession of the Banat, despite Serbia's protests. I have pointed out, in previous issues, that, whilst Roumania is powerful on the Danube, and at present dominates the Balkans, her value as an ally may disappear at any moment, if Bolshevik propaganda, sown amongst the peasantry, bears the anticipated fruit. Still, for the time being, the Senate's action strengthens Roumania just as much as it strengthens Italy in demands which France and England united with America in opposing.

France, America and Poland.

The other great matter in which Wilson went counter to the old-school diplomatists, was in the delimitation of the frontiers of Poland. The Americans were anxious that the wrong done Poland in 1790 and 1815 should be righted, and that an independent Polish state should be recreated. France, on the other hand, was much more concerned in establishing on the eastern frontier of Germany a powerful state, which should take the place of Russia. The Poles, according to the French idea, were to attack Germany should occasion arise just as the Russians did in 1914. Paris therefore wanted a Poland with strategic frontiers, with the greatest possible territory, with permanent and secure access to the sea. Wilson did not desire to create a formidable anti-German state on the Vistula: he wished merely to right a wrong, and therefore opposed the drawing of frontiers for military purposes only; insisted that instead of territories being handed over without regard to the wishes of the inhabitants, plebiscites must be taken, and above all that Danzig, instead of being given absolutely to Poland, together with a very wide corridor along the Vistula, should be controlled by the League of Nations, and though Poland could have the free use of it, she could not call it her own. Undoubtedly, had the French had their way, Polish boundaries would have been greatly extended, and Germany would have been completely deprived of Silesia, for, without that province, she cannot get the raw materials needed to equip her armies. Danzig would have been ceded to Poland for ever, and East Prussia would have been completely isolated. American military assistance against Germany was, however, worth much more than Polish help, and Wilson therefore had his way. American assistance will apparently not be forthcoming, therefore the need for a formidable Poland with strong, strategical frontiers becomes greater than ever. No doubt France would welcome any excuse for creating such a State. Unfortunately for the scheme of making a great Poland to take the place of Russia in a hostile alliance against Germany, the opportunity which existed last year has now vanished, owing to the triumph of

the Bolsheviki in Russia. These are already threatening Poland, and the only hope for the Poles is to come to a speedy arrangement with Lenin, who, actually anxious to carry out the principle of self-determination, to which the Allies have given lip service, would never agree to Poland annexing large provinces inhabited by people of other races.

Probable Rapprochement with Turkey.

To drive the Turk out of Europe and to see that the subject races of Asia Minor were never again thrust beneath his "blighting yoke" was, like the destruction of militarism and self-determination, one of the principal objects for which the Allies ostensibly fought. But the demand that Europe and parts of Asia Minor should be purged of the Turk was after all chiefly a catch cry, intended to satisfy Russia, and to popularise the Gallipoli and Salonika expeditions. It covered the desire of Russia for Constantinople and northern Armenia, the wish of France to dominate Syria, and the determination of Great Britain to get possession of Mesopotamia, and to make quite safe the Suez Canal. With the Turk crushed, the way to permanent occupation of Egypt and Cyprus was cleared. But, owing to the collapse of Russia, the Allied demand that the Ottomans should clear out of Constantinople visibly weakened, and only the American desire to rid Europe of the Turk, and to protect the Armenians held France and Britain and Italy to their promise to free Armenia, and internationalise the Dardanelles and Constantinople. The increasing strength of the Bolshevik Government has re-established in the breasts of British statesmen that fear of Russia, which for several decades dictated the friendly English policy towards Turkey. The desire to cripple Russia by preventing her from having easy access to a warm sea has reappeared, and as the Turks must necessarily play a large part in such isolation, Great Britain no longer urges their ejection from their ancient capital.

Who is Responsible for Massacres?

With America out of it, none of the *Entente* Powers is at all inclined to provide the military assistance needed

to maintain an Armenia, which could defy the Turk. The case is, of course, different in Syria and Mesopotamia. In these places France and Britain respectively secure what is virtual possession, and it is therefore worth while going to considerable expense and trouble to prevent interference by the Turkish armies. But none, except the Armenians, will get any benefit from an independent Armenia. Actually in the settlement of Asia Minor difficulties we will get a very accurate measure of the real sincerity of the declarations concerning the protection of subject peoples, which Allied statesmen made so constantly during the war. We hold Germany responsible for the Armenian massacres, which were carried out by Turks and Kurds whilst our invasion of Mesopotamia was going on; who is responsible for the present massacres of Armenians and other Christians, which are taking place in Asia Minor? Turkey was an Ally of Germany, but surely German statesmen had less control over the doings of an ally than Allied statesmen should have over the doings of a foe, who has abjectly surrendered? There is now ample confirmation as to the slaughter of Christians in Armenia, Anatolia and Syria by the Turks. Systematic murder it is. After a Greek army landed at Smyrna last May, by order of the Peace Conference, there was fierce fighting in the city itself, and later in the surrounding districts. As they were driven back the Turks deliberately destroyed Greek villages, and slew the male inhabitants, carrying off the women. Eye witnesses have reported what happened, and British officers visiting the villages have confirmed their statements.

Turks Playing Their Old Game.

In view of what has happened about Smyrna, and in Syria, we cannot but assume that the rumours of massacres elsewhere are well founded. It is known, of course, that the Turks have to-day a well-equipped and well organised army in the field, and the French in Syria, as well as the Greeks at Smyrna, are encountering formidable armed resistance. Despite this fact the Allies are now apparently inclined to allow the Turk to remain in Europe, to continue in occupation of

Constantinople, although the forts of the Dardanelles will be dismantled, and free passage of the straits for war ships, as well as for merchant vessels, will be secured. The Turks count once more, as so often before, on playing off one European Power against another, and profiting by the jealousies of their enemies. The suggestion was that America, which, of all the Powers engaged, has sought no territorial or other advantage out of the war, should have made herself responsible for the safeguarding of Armenia, and of other new states which would become quite independent, and would require protecting from the Turk. This in spite of the fact that the United States was not a party to the secret treaty, in which Britain, France and Italy parcelled out the fairest of the Sultan's dominions amongst themselves. The withdrawal of America from the European settlement upsets this proposal, and the Allies apparently intend to allow the Turks to do what they will in Asia Minor, save in those parts of it which France, Great Britain, Italy and Greece have pegged out for themselves.

To Secure Peace, Prepare for War!

I have given this brief summary of what the action of the American Senate means, in order to prepare my readers for events which are likely to happen in Europe in the near future. Some of these indeed are no doubt already occurring, and any attempt on the part of Germany to evade the terms of the Treaty will undoubtedly be seized on as offering a sound excuse for doing many of those things which only the presence of President Wilson at Paris prevented being done before. The triumph of Lenin has, of course, very gravely altered the situation, as it makes it possible for Germany to secure a formidable ally, a possibility which must influence the Allies in taking further territory from her, and in making new demands. But, whilst the determination of the Americans not to be drawn from their traditional policy laid down by George Washington, spurs the statesmen of France and Italy to secure those military frontiers, and secure those safeguards they reluctantly abandoned in face of Wilson's insistence, it also com-

pels them to build up their armaments, instead of cutting them down. There is evidence of this not only in the naval and military estimates of England, but in those of France and Italy and Japan. This piling up of armaments and prodigal expenditure of money, on so-called defence, in Europe and Asia, has its echo in the prodigious naval programme which the American Congress is being asked to adopt. There is general realisation that the action of the Senate, even if the Treaty is in the end ratified, has radically weakened the chances of the League of Nations becoming the guardian of the world's peace. Without cordial American support, support which, if necessary, would go the length of sending soldiers to Europe, the League can never become the arbiter of international affairs. It sinks to little more than a glorified Hague Tribunal. If the League is a dead letter, then balance of power and huge armaments become again the order of the day, and the heavy burdens which it was confidently hoped this war would forever shift, will become heavier still.

When the German Government Falls.

Having indicated the policy which France and her Allies are almost certain to adopt in order to meet the new situation, I would briefly examine the most obvious results likely to follow the abandonment of a peace by consent in favour of one to be maintained by force. The fixing of the Rhine as a permanent barrier between France and Germany would almost inevitably lead to the downfall of the present Government in Berlin, and would give the reactionaries rather than the extremists the advantage in an internal struggle for control. If the former win, there is prospect of some desperate attempt to seek revision of the peace terms by military means, but any such effort should end in complete disaster, as the French armies alone, without British assistance, are infinitely better equipped than the scratch German forces could possibly be. Yet, there is that prospect, though more probably saner counsels would prevail, and German leaders would endeavour, by every means in their power, to accentuate the differences already showing between their late enemies; would attempt to de-

tach Italy from France, and to create such a situation that it would be extremely unwise for the French to continue to insist on the permanent occupation of the Rhine Provinces. Of the two alternatives, the Allies would obviously prefer that Germany should make a wild military effort to throw off *Entente* domination, as this would furnish just the excuse needed for the remodelling of the Peace Treaty, on the lines I have indicated. That Germany at present lacks leadership, is clear enough, and any further exactions by the Allies will precipitate a crisis, which must soon come, in any event. What vitally concerns us is whether the new Government will be reactionary or Bolshevik. The first would almost compel military action by the Allies; the second would mean alliance with Russia, and the scrapping of the Peace Treaty. It is quite evident that the Allies ought to do everything they possibly could to bolster up the present Government, instead of heaping difficulties in its path, for, no matter what change takes place when it falls, it must be a change for the worse as far as Germany's late enemies are concerned.

America and the Blockade.

The question of a supreme navy is one in which the Americans are interested, and it is certain that if the League of Nations fails, the Government at Washington will go back to the position it took up early in the war. It will be recalled that the British Admiralty stopped all ships going to Europe, no matter whether they were bound for a neutral port or not. It also compelled all ships leaving neutral European ports, to enter certain British harbours, to be systematically searched. It was laid down by the Hague Convention that mails were inviolable, but the British authorities, finding that goods were being sent to Germany by parcel post, and that German securities were being sent by mail to the United States, systematically opened mail bags, and held up letters. The Americans strongly resented the arbitrary interference with their ships, and were furious over the opening and despoiling of their mail. At the time, Washington protested in the strongest possible manner

against these proceedings, which constituted "a practical assertion of unlimited belligerent rights over neutral commerce, and an almost unqualified denial of the sovereign rights of the nations now at peace." At the same time, on the platform and in the press, it was declared that never again would the United States tolerate such doings, and that when the Peace settlement came, Washington would insist absolutely on the recognition of entire freedom of the seas in war time, as well as whilst peace reigned. In order to make sure that American ships and American mails should not be interfered with at pleasure, by a belligerent in future, it was determined that the United States should build a navy, more powerful than any other in the world.

Freedom of the Seas.

An ambitious programme of naval construction was drawn up, and approved by Congress, but it was held up owing to the entry of America into the war. One of President Wilson's points was the freedom of the seas, but, as the League of Nations guaranteed this, the special demand for it was abandoned. If, however, the League does not secure the support of the United States, and achieves to no real influence in the world, then the determination of the Americans to have a fleet large enough to compel any belligerent in any future war to keep its hands off American ships and mails, becomes an important factor to reckon with. Unless some special agreement concerning the rights of neutrals on the sea is arrived at, and the growth of naval armaments is stayed by mutual consent, it seems inevitable that America will proceed with a naval programme, intended to give her a fleet greater than any other in the world. In such a race for naval supremacy the United States would, in the end, beat Great Britain, simply because there are twice as many taxable people in the former country. It is unthinkable, of course, that England and America can ever fight, but British statesmen will have to realise that, unless they limit their own armaments, and solemnly undertake to allow neutrals entire freedom of the sea, during war, the Americans will build a huge fleet, which will

be quite able to challenge their own for the supremacy of the sea, should occasion arise.

The "Black List."

The Germans apparently intend to refuse to hand over the war "criminals" demanded by Great Britain, France, Italy and Belgium. The Chancellor declares that if they agree to the Allies' demand there will be revolution and chaos in Germany. On the other hand, if they do not, France will seize the Rhine Provinces. Despite all we were told, there appears to have been no collaboration between the Allies in preparing the lists, and Lloyd George objected to being committed to those of France and Belgium, without knowing the names included in them. Hence, Lord Birkenhead—better known as Sir F. E. Smith—hastened over to Paris, to make enquiries, and some slight modifications were the result. The French and Belgian lists appear to include every German leader who was ever on the Western Front, including some who have since died, and others who went to the West for a brief visit only. If what is said about these lists be true, then Lord Robert Cecil is quite justified in declaring that their presentation is nothing but a "barbarous vengeance." There is little enthusiasm shown in England in the matter, whilst America is openly opposed to the trial of these men, and Italy is indifferent. One can well understand the opposition of military and naval men to the wholesale condemnation of German generals and admirals. A precedent is established, which might recoil on their own heads later on. Meanwhile, refusal on the part of Germany to comply with the clauses in the Treaty, demanding the surrender of war "criminals," will certainly be made the excuse for further exactions. We again have talk of pressure being brought to bear on Holland, to compel her to surrender the ex-Kaiser, which pressure may include blockade, but it is extremely unlikely that any coercive measures will be attempted.

Disposing of German Territory.

The plebiscite in Schleswig has been taken, and, as was expected, the northern portion has voted strongly for union with Denmark. The result of the vote

in the southern districts is not yet known. The temptation to escape heavy taxation, depreciated currency, and a huge burden of debt, by changing sovereignty from Germany to Denmark is, of course, strong. At the other end of the country, the Poles have occupied the Danzig corridor, and have celebrated their getting access to the sea with due solemnity. The Esthonians are reported to have made peace with the Bolsheviks, and one could not read the story of the Polish "wedding with the Adriatic," without thinking that the fate of Poland lies not in the hands of those who have created it, but in those of their late bitter enemies — the Bolsheviks. Rumour has it that the Poles have already entered into negotiations with Lenin, realising, no doubt, that if they fail to make peace whilst they have the chance, their doom is sealed. Trotsky's forces have occupied Odessa, after furious street fighting, and with minor checks their successes on all fronts continue.

With Koltchak in Siberia.

A reader of STEAD'S, who was a member of the British Mission in Siberia, writes that whilst the downfall of Denekin may have been due to his treatment of the people in the provinces he had conquered, this was not the case with Koltchak, who failed because the support given by the Allies was altogether insufficient. He points out that Siberia, in 1918, was a vast refugee camp. All members of the upper and middle classes who could do so had escaped thither from Russia; there, too, were thousands of officers of the old regime, and an immense number of civilian riff-raff, who had gathered from half the countries of the world. Tens of thousands of German and Austrian prisoners added to the mixture. In this chaotic mob Koltchak had to try and produce order and a stable Government. The newly-created army had no equipment whatever at first, and even in 1919, the division he was attached to had only one greatcoat to every ten men. All supplies had to come over the 3000 miles and more of single railway, from the Pacific coast. What Koltchak wanted was an Allied force to help him, not so much to fight, as to stiffen the army

and the scared population. What he actually got in the end was the following: Two British infantry battalions, one of which—the Middlesex—was practically C3, and the other, Hampshire, was a territorial battalion from India; one Canadian Brigade of Infantry; a mission of about 200 officers, and 300 N.C.O.'s, to train his army, and a railway mission to help run the railway; also a Yankee brigade, composed for the main part of Russian Jews. There were various units of Japs about, estimated at from 20,000 to 60,000. Nobody knew their real strength, and the Japs were careful not to advertise it!

Fed Up With War.

The Hampshires were never allowed to fight, being used only for guards, etc. The Middlesex, under Colonel John Ward, got into one or two "tired" scraps, their only casualties being foot-sore and crooked men. The Canadians almost rioted because they were not allowed to fight, and had finally to be sent back to Canada. The Americans could not scrap, and their Government would not let them join in, anyway. The Japanese came to blows with the Bolsheviks, but in distant parts. The Czechs were the only real supporters that Koltchak had. These thrashed the Bolsheviks whenever they met them, as the Reds would not face determined opposition. The people had seen, and heard too much of Bolshevik methods to desire a return of their regime, but they were utterly fed up with war. Since he left the Czechs appear to have turned against Koltchak, and the people do not seem to have offered any resistance to the establishment of a local Bolshevik Government. Presumably, the extremists have been able to get their own way owing to the collapse of Koltchak's ill-equipped army, and to the war weariness of the people.

Mr. Asquith in Politics Again.

The political situation in England is very complicated, and therefore intensely interesting. Ireland, the nationalisation of the coal mines, Government control of industries, the inflated currency—all matters of great urgency—have found the Coalition Government divided, its various members at odds with each other. This disunion has heartened the

Liberals, and encouraged them in their fight against the huge khaki majority in the House of Commons. Mr. Asquith who, after his defeat in East Fife at the last election, refused offers of safe seats, preferring to remain for a while out of Parliament, has been devoting himself to criticising the Government in the country, and his speeches have been awaited with as much anxiety as have those of the Prime Minister himself. His following has become steadily stronger, and he evidently thinks the time now ripe to return to the Parliamentary arena. Instead, however, of accepting a safe seat, which he could readily have done, he decided to contest the by-election at Paisley, a division of Glasgow. There his principal opponent is the Labour candidate, the Coalition not having an official representative in the field at all. Although the election took place three days ago, so congested is the cable service between England and Australia, that word of the result has not yet reached this country. Mr. Asquith has laid down a policy which has received the enthusiastic endorsement of the Liberals, but has not caught the approval of Labour, which would go much further than he in many matters. As it is the Labourites, not the Liberals, who have achieved such great successes at the expense of the coalition in recent by-elections, the Lloyd George Government obviously fears the former much more than the latter. It may be though, that, with a definite policy, and with their old leader again in the saddle, the Liberals will become more formidable in and out of Parliament.

Modify the Peace Treaty.

Since the defection of Lloyd George and his followers, Liberalism in England has been in a parlous state. The present rally round Asquith is the first outstanding sign of revival. Asquith has a unique position, and a great opportunity. People are obviously sick of the failure of the Coalition Government to grapple seriously with the financial situation, to solve the Irish problem, and to find a way out of the Labour troubles. Its vacillating Russian policy has also disgusted the nation. Asquith not only criticises the Government in trenchant manner, to the delight of the majority,

but also brings forward definite proposals to meet the grave problems, which confront the nation. Although he does not approve general nationalisation, he insists that Labour must have a much greater voice in the control of industries than ever before. With regard to finance, he points out that you have got to choose between the indefinite increase of the income tax and some form of charge on realisable or realised wealth, and he advocates the latter. As far as the Peace Treaty is concerned he is convinced that it must be radically modified. He said: "The Peace is not a common-sense one. It is poor map-making, requiring many changes. The preposterous reparation clauses are the baseless fabric of a vision, injurious to the Allies and to Germany. The idea that Germany will be able to pay £15,000,000,000 is ridiculous; the utmost would be £2,000,000,000." He went on to say that he would wipe this out as a bad debt, and would also remit all the debts owed Great Britain by her Allies, with the object of enabling them to get on their feet again as speedily as possible. He has reaffirmed most strongly the liberal belief in Free Trade, a belief which the events of the last few months have intensified.

Rehabilitated Belgium and Starving Austria.

It is pleasing to learn that Belgium is re-establishing her industries, and starting to trade more rapidly than any of the other countries which engaged in the war. Already she has almost caught up with her pre-war coal output, her glass factories are hard at work—a consignment of glassware from Belgium reached Melbourne the other day—and most of her minor industries are again in full swing. The blast furnaces destroyed by the Germans are being built up again, and soon her output of steel will begin to approach its pre-war level. Many of her damaged cities have been re-built, and altogether her people are busy getting their country back to its old high place in the world of trade and commerce. The success which has attended their efforts is shown by the fact that the Belgian franc stands a good deal higher in international exchange than the French, despite the fact that immediately

after the Armistice French money was at a premium of about 18 per cent. In addition to coal and glass production, that of sugar is back to normal, and, in fact, rather above it, and sugar prices are very much up. The situation of the peoples of Central Europe is as bad as ever, but it is splendid to see England resuming her old role of generous benefactor. Mr. Austin Chamberlain recently announced that in addition to the sum of £12,500,000 already voted for the relief of Central Europe during the current financial year, a further amount, not more than £10,000,000, and not more than half the contribution of the United States, would be made. It was generally understood that the £12,500,000 mentioned was a credit, which in due time would have to be repaid, but the £10,000,000 seems to be a gift. It is to be used to provide British foodstuffs, pay freights on goods carried in British ships. Mr. Chamberlain stated that the Canadian Government had requested to be allowed to contribute. Why not the Australian? If Canada can send help in the way of wheat, could not we send it in the shape of foodstuffs and wool? We ought not to allow Canada to beat us in generosity.

"Proscribing" the Marine Engineers.

Having failed to bring about a settlement of the marine engineers' strike by negotiation, Mr. Hughes, using the power given the Government by the War Precautions' Act, issued a proclamation declaring an economic boycott against the engineers. Anyone contributing money or goods to their organisation, or to individual members without the consent of the Federal Attorney-General, is subject to divers pains and penalties. These men are, in effect, "proscribed," though no price has been put on their heads. This proclamation has raised a far bigger issue than that involved in the dispute of the engineers with the ship owners. What has been done in the case of the engineers might equally well be done against any union whose members were on strike, and although the marine engineers are not at all popular with the worker unions and have rarely, if ever, come into line with them in emergency, Mr. Hughes' drastic action almost compels the great unions to take the matter up. No definite decision has

yet been made as to what is to be done, but the proclamation has apparently brought the end of the strike no nearer. It is somewhat curious to find Mr. Hughes using the War Precautions Act against the engineers, and refusing to use it against the profiteers, whose punishment, and even worse, he so urgently advocated before the election. The Act was passed in 1914, to "make provision for any matters which appear necessary or expenditure with a view to the public safety and the defence of the Commonwealth." It was originally intended to be used solely in connection with matters directly concerning the furious fight in Europe, but it actually conferred supreme powers upon the Government, which was, in effect, given absolute *carte blanche* to do whatever it liked without consulting the people or Parliament.

What About Declaring Peace?

With such a weapon available, can we be surprised that the Government is postponing the declaration of Peace to the latest possible moment, for the powers it gives continue until three months after the official proclamation of Peace. Every week's delay, therefore, gives Mr. Hughes a further week of autocratic power. Many people imagine that the war is officially over, but technically it still continues. In almost every other country in the world, Peace, having been ratified with Germany, has been proclaimed; but Australia, although she has ratified the Peace Treaty, still refuses to make the proclamation which officially ends the war. The Government has decided that this important proclamation, which directly affects the payment of millions in mortgages, and controls all manner of immensely important transactions, shall not be made until Parliament has ratified the Treaty of Peace with Austria. The document in question only recently arrived in Australia, and it is extremely unlikely that ratification can be given before the end of March. It seems a pity, though, that such ratification should deprive Mr. Hughes of his present power; why not wait until the Bulgarian Treaty had been received and ratified—it has been accepted by Bulgaria at last—and then again postpone the proclamation pending the receipt of the approved Treaty with Turkey? As this is only now being drawn up, and

cannot possibly be here for several months, by waiting for it the War Precautions Act could be made to extend beyond the end of the present year! This is a matter Mr. Hughes and his Government might well take into favourable consideration.

The Defence of Australia.

In commenting on the question of the defence of Australia in our last issue, I inadvertently referred to the special committee of generals which is enquiring into the matter, as the defence committee. There is actually no defence committee, but a Defence Council on which two representatives of the navy sit as well as military officers. It is presided over by the Prime Minister. The Treasurer and Ministers of the Navy and Defence are also members. This Council has the same functions as the Defence Council of Great Britain in pre-war days. It controls the defence policy of the country. In England a naval man was the permanent secretary, and the same practice should be followed here. Let us hope at any rate that if he is not a naval man he will be a civilian. This Council, which, if it takes its duties seriously, will be the most important body in the Commonwealth after Parliament, is at present considering what is to be done with regard to Australia's navy and army. It has before it Lord Jellicoe's ambitious report, and the no less grandiose scheme of General White's Committee. One cannot but deplore the usual procrastinating methods of politicians, but surely we are justified in suggesting at the present moment that final decision should be postponed until something more definite is known about the League of Nations and the modifications which its establishment on a firm basis bring in Europe. In any case the Government ought not to be inveigled into a costly military scheme or into an undertaking to spend millions on the navy until it knows the actual position in Europe. Even if the League fails altogether the Government ought to impress on its military and naval advisers that the country cannot spend money in prodigal fashion. The Treasurer should say definite'y, "We can only afford a certain number of millions each year, cut your coat to fit your cloth."

Armed Force Sent to Fiji.

The censor is at work again. Australians are not permitted to learn through the ordinary agencies of the troubles in Fiji, where large numbers of Indian labourers are on strike. An armed force has been sent to the Islands from New Zealand. Men and munitions were being embarked without publicity, but the news leaked out, and alarming rumours were spread. The Prime Minister, Mr. Massey, found it best to publish a brief statement. It was at the request of the Governor of Fiji that the force was being sent. The strength of the force was not stated, but the steamer used, the *Tutanekai*, would not take a very large number of men. Mr. Massey mentioned that news of the strike was being censored, both in Fiji and in New Zealand. A protest against the despatching of troops came from Mr. H. E. Holland, M.P., chairman of the Labour Party, as soon as the news was published. He denounced the treatment Indian workers had received under the indenture system, and condemned the attempt to repress by armed force their efforts to improve their industrial condition. It would have been bad enough, he said, to take this course in a country under New Zealand control; it was infinitely worse to send New Zealand soldiers against strikers in a land over which New Zealand had no jurisdiction whatever. (Fiji is a Crown colony, controlled from London.) Mr. Massey in his reply to Mr. Holland, said it was natural for the people of Fiji to wish to take precautions against a rising. There had been similar happenings in India itself recently. Probably he had not heard of the Amritsar affair. It was an untimely comparison.

Indians Now Free from Indenture.

The Fijian Government brought the indenture system to an abrupt end on January 3rd. It is interesting to trace the steps that led to the overthrow of this form of servitude. An agitation against indenture was raised in Fiji and India a few years ago, and in 1915 a missionary, Rev. C. F. Andrews, was sent from India to Fiji to investigate. His report showed that, in spite of the efforts of Government inspectors, the Indians were liable to suffer cruel abuse

at the hands of unscrupulous overseers, and were almost compelled by their manner of life to descend to grossly immoral ways. The Indian Government condemned the system, refused to permit any new indentures. The planters protested, but in vain. As the indentures were running out, the number of labourers was growing less. Meantime the planters found it impossible, so long as any remained under the bonds of indenture, to engage free labourers to come from India. So the abrupt ending of the system was decided upon, in the hope that the recruiters in India would be more successful in engaging the much-needed workers.

Indians' Strike and Sugar Supply.

The removal of the indentures made it easy for the Indians to strike. It would have been a crime for indentured men to strike, and the law would have imposed severe penalties. However, the trouble had been long brewing. The cost of living had risen so rapidly that some of the labourers found themselves worse off than they would have been with a much lower wage in their Bengal villages. Under indentures the average wage for a man was about 1s. 1d. per day, with food. Free workers receive from 2s. to 2s. 6d. per day, according to planters' reports. The discontent came to a head on Boxing Day last, when about 400 Indians gathered in the Town Hall at Suva, to discuss their grievances. They decided to ask for a minimum wage of 5s. a day. This demand sounds moderate to white workers, but it should be compared with the rate of 5s. *per month* (with a little food allowance) paid to the indentured workers in late German, now Australian, New Guinea. As tropical wages go, the Fiji rate is even now on the high side. Could the industry afford more? Enlightening information on that point has been given by a planter, the Hon. J. B. Turner, who has been visiting New Zealand. He stated that planters in Fiji, free Indians and white folk, were paid a "starvation" price for cane by the Colonial Sugar Refining Company—25 to 50 per cent. less than the price paid in Queensland. He attributed the present sugar shortage

partly to this policy, and told of some Indian planters who had destroyed their cane, because they were offered only about 5s. per ton. A cable message states that the company is now offering 15s. per ton, and also an increase of 6d. a day in labourers' wages. Well-informed people consider it highly improbable that the Indians will resort to force of arms. They are mostly from the peaceful tribes, and very few have firearms of any kind. If untoward happenings do occur, the censor will see that we do not receive any reports that might disturb our complacency.

New Zealand Notes.

A slight epidemic of influenza was reported during the last week in January. To avoid unnecessary danger to children, it was decided to delay the re-opening of the schools after the holidays. There are no signs of a serious outbreak of the disease. Very few pneumonic cases are reported, and the deaths from influenza for the whole Dominion have been only about three per week.

The coal shortage has become acute, and, in consequence, restrictions have been placed on public services and private industries. The Prime Minister has called a compulsory conference of miners and their employers, in the hope of settling the dispute, and bringing the "go-slow" strike to an end. The recent offer of the mine-owners to negotiate was met with a rebuff. The miners would not negotiate, except through the Alliance of Labour, with whom the employers refused to have any dealings.

The final figures of the Prohibition poll left the "dry" party with a minority of 1633 votes. The voting was:—For prohibition, 270,223; for continuance, 241,237; for State control, 32,219. While it is admitted by the prohibitionists that most of the votes cast for State control would have gone for continuance, if the third choice had not been offered, still it is generally believed that prohibition would have won in a straight fight with continuance.

The public ownership of public utilities is nearly universal in New Zealand towns. The latest transfer from private ownership is that of the Auck-

land electric tramways, purchased by the city, for £1,229,462.

Military drill, under the compulsory system, has been suspended for this year, but the authorities announce that it will be in full swing again next year.

West Australian Notes.

Hardly a month passes without the discovery of some addition to this State's latent wealth. The latest find are veritable cliffs of the best iron-ore on Koolan and Cockatoo Islands, in Yampi Sound, on the north-west coast. The State mining engineer, who was sent to investigate, reports 97,000,000 tons of first-class ore above high water mark, right alongside of 40 to 50 feet of navigable water. He estimates the probable quarryable quantity below sea-level at several times that figure. This combination of a huge deposit of high-class iron ore, with a splendid deep-water harbour, is almost unique. It should speedily attract attention of some big iron-smelting and shipping concern in England, such as would be most likely to handle it to advantage.

As usual, during the summer season, the metropolitan water supply has become so insufficient, that the watering of streets, gardens, etc., had to be prohibited. The Mundarieng Weir, which contains an ample supply of beautiful, clear water, is reserved for the Eastern Goldfields and agricultural districts. Perth largely depends on a number of bores which yield warm, unpalatable water—and not enough of that. Millions of gallons of sparkling water are daily poured into the sea by several rivers and creeks, quite close to Perth. A dam or two would secure our water supply for all times, but so far there has been only talk, and no deeds. This summer the position has become so acute that the Government may be forced to get to work, probably by damming, in the first instance, the Canning river. At a cost of £180,000 an extra 4,000,000 gallons per day are expected from this source.

The Federal Navigation Act, which is to come into force next March, is already causing apprehension to the cattle shippers in the north-west, and to the people who feed Perth and the south. In spite of the abundance of cattle in

the north-west, meat prices in the south have steadily gone up, because of the chronic shortage of shipping. During late years most of the stock has been transported in British vessels, coming from Java and Singapore. Now that these boats are to be debarred from coastal trade, a meat famine seems inevitable. Australian ships cannot be bought or chartered, and the two steamers belonging to the State are utterly insufficient to cope with the trade. The foreign boats are not likely to comply with the stringent labour and accommodation regulations, which would bring them inside our Navigation Act. Much rather will they be content with the oversea trade. It is doubtful whether the Federal Government will be able to grant the exemption now being sought by West Australia, without automatically prejudicing the whole Act.*

After considerable controversy, the Government has now granted the Public Works' employees' demand for the application of the latest railway award to them. This means a minimum rate of pay of 12s. per day for labourers, corresponding increases for all other classes, and a 44-hours week.

Perth, February 6th, 1920.


New South Wales Notes.

A new era in local government has just commenced in New South Wales. Under the amended Act, which came into force for the first time at the elections on January 31st, greatly extended powers have been granted to the municipalities and shires throughout the State, and women have at last obtained the right to guide our municipal affairs. As there are 1841 municipal councils, and 136 shires in New South Wales, over 1,000,000 people being involved in the former, and nearly 750,000 in the latter, the elections were unusually important, nearly as much so in fact as those for legislative seats. The borrowing powers

(Continued on page 200.)

*The Minister for Customs has written to the West Australian Minister of Industries, promising that the Federal Government will refrain for a period of twelve months from enforcing the Act as against the vessels mentioned, but he points out that the Government has no power to abrogate the rights of seamen and others to bring civil action at law for the enforcement of the Act.—Ed. STEAD'S.

HISTORY IN CARICATURE



• • • • • Oh wad some Power the gittie gie us
To see oursel as ilthers see us.—BURNS. (E)

David Low is doing splendid work in London. He has won generous praise even from political adversaries for his bold, uncompromising and original sketches on topics of the day. It is astonishing how quickly he has adapted himself to English conditions, and how



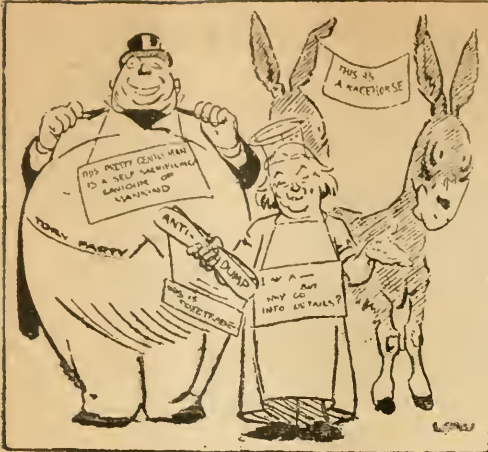
Star.] [London.
POOR LITTLE FARMY IS SO DELICATE.



Star.] LAOCOALITION. [London.



Star.] THE BRIDGE OF ASSES. [London.



[Star.]

[London.]

EVERYTHING EXPLAINED.

soon he has been recognised as the foremost cartoonist in Great Britain. We who knew him here were convinced that he would speedily make his mark at Home, but hardly anticipated so complete a triumph. There was some doubt as to how he would adapt himself to the grind of a daily paper, after the comparative leisure of a weekly journal, but his four or five cartoons a week in *The Star* prove how successfully he has done so. Despite the fact that English politics are not much understood here, most of Low's cartoons must be thoroughly



[Star.]

[London.]

SHEER OBSTINACY.

LITTLE GEORGE: "Did you ever see such an unsociable creature? No matter how much I tickle him with this pretty spike, he simply won't be tame!"

appreciated. The few herewith are typical of the work he is doing.

America's attitude to the League of Nations is viewed in many varying lights. To some, it is simple selfishness, a desire for "splendid isolation," with exclusive barriers of enormous armaments. To others, it seems proof that Wilson has attempted the impossible. Many American artists attack the principle of giving six votes to Britain and her Dominions, while the American nation has only one vote.



[Star.]

[London.]

PROGRESS TO LIBERTY: AMRITSAR STYLE.



[Star.]

[London.]

OVER: A DINKUM SOUTHERN CROSS.



Telegram.] [New York.
"ALL DRESSED UP, AND NO PLACE TO GO."

(One of many American protests against the British Empire's six votes on the League of Nations.)

Starving, frozen Vienna appeals to the sympathy of an Amsterdam artist. He imagines the soul of the gay city



London Opinion.]
UNCLE SAM: "Curfew shall not ring to-night."

reflecting that her present fate is the fruit of the seed planted in 1871. Why Vienna should be chief victim of the



Times.] [Los Angeles, U.S.A.
"America must stand alone."—Senator Hiram Johnson (leading opponent of the League of Nations Covenant).



Post.] [Cincinnati, U.S.A.
STILL TRYING IT ON.



De Amsterdammer. [Amsterdam.
JOHN BULL (to Jonathan): "Come and play, or else the others won't be able to join in."
JONATHAN: "I don't know yet whether I will play. The stakes are too high."



Kladderadatsch. [Berlin
GUARDIANS OF FREEDOM.
"What! Freedom for Ireland?" Oh, that's another story!"



Kladderadatsch. [Berlin
WILSON: "Oh, I'm ill. I see little points before my eyes."
WHITE HOUSE PHYSICIAN: "I hope there are only—fourteen."



Le Nocturne. [Amsterdam.
STARVING VIENNA.
"Eight-and-forty years I have watched for this."



Nebelspalter. [Zurich.
"When the mark comes to nil, I'll buy my million back."



News.] [Poughkeepsie.
THE WORLD SAVED FOR DEMOCRACY.

retribution for the ill deeds done in 1871 is not clear. But so the fact is.

The Norwegian cartoon, showing the student as boon companion to the Bolshevik, is suggestive. Without doubt, the present plan of teaching everyone to read and think, without giving oppor-



Vikingen.] [Christianla.
THE STUDENT'S NEW FRIEND.



Hvepsen.] [Christianla.
EITHER——OR——.

APPARITION (to Statesman): "You have to solve the food and dwelling problems now. Otherwise I shall."

tunities for putting ideas into practice, develops the spirit of revolt.



Public Ledger.] [Philadelphia.
PROFITEER: (to Consumer): "What other games d'ye play?"
(The ball is the high cost of living.)



DEAR Manchester
I HAVE MUCH PLEASURE
IN SENDING YOU A PHOTO
OF SELF WITH SPIRIT OF
Cobden
YOURS DEVOTEDLY
David

Evening News.]



DEAR Birmingham
I HAVE MUCH PLEASURE
IN SENDING YOU A PHOTO
OF SELF WITH SPIRIT OF
Chamberlain
YOURS DEVOTEDLY
David

[London.

SPRIT PHOTOGRAPHY.

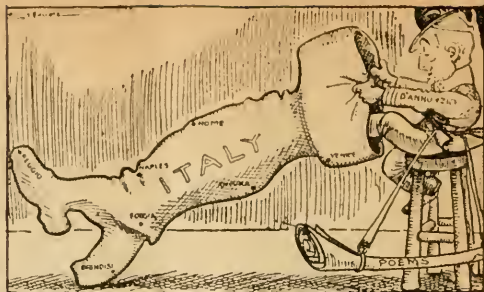


the people.]

[London.

THE FIRST WOMAN IN PARLIAMENT.

'Tickling the House.'



Daily Express.]

[London.

TOO BIG FOR HIS OWN BOOTS.



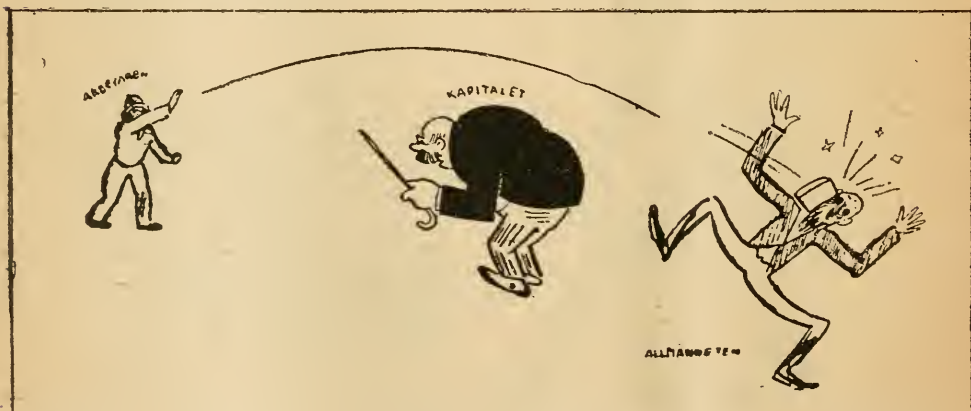
Sondags Nisse.]

[Stockholm.

THE GODS OF THE NORTH.

Formerly: Odin, Thor and Balder.

Now: Football, Drink and Charlie Chaplin.



Naggen.]

WHERE THE STRIKE HITS.

[Stockholm.

Labour aims at the capitalist and hits the public.

The Depreciation of the Sovereign.

BY HENRY STEAD.

NO question has agitated people more during the last few weeks than the steady depreciation of the £ sterling in American exchange. Why, everyone wants to know, is the £ which six years ago set the standard for the world worth only 335 cents to-day, when it ought to be worth 487? They ask, and the answers they receive differ so widely that their confusion becomes worse confounded. I have received no end of queries on the subject, and this induces me to attempt to deal with the matter, though I make no pretence of being a currency or financial expert, any more than I did of being a military critic during the war. But I found that the use of ordinary common sense in dealing with war cables led to far fewer blunders in criticising the tremendous happenings in Europe, than did the military knowledge of most of our so-called experts. It is sometimes a dangerous thing to know too much—one loses sight of the wood, because of the trees.

To begin with, I would touch on the attitude of the American Government, which has come in for such drastic criticism here. Recently, Mr. Glass, Secretary of the Treasury at Washington, announced that America did not propose to extend any further credits, or make any further loans to Allied countries. This statement synchronised with a further drop in sterling exchange, and loud was the outcry against the Americans who, so we were assured, by refusing to lend any more money, were attempting to get control of world finance at the expense of England. We heard once more the silly talk about America having taken no risks, having suffered nothing, and yet trying to secure greater benefits from the war than those who had risked everything, and had borne the heat and burden of the day. Those who talk in this way would do well to read the comments which are now appearing in European papers.

Therein it is pointed out that Great Britain never suffered invasion, was never in grave danger of annihilation, lost actually on the battlefield a smaller proportion of men than any of the Continental Allies. Yet, it is further pointed out, though she entered the war only to defend Belgium, and help France, and declared she wanted no territory, desired no indemnity, she secured by the Peace settlement far vaster areas the world over than any other Power. Not only does she get the largest and most fertile German colonies, she also gets Mesopotamia, and Egypt and Cyprus, and finally Persia, with its oil fields, and other untapped resources. Further, her Allies are deeply in her debt, and are forced, in consequence, to purchase goods from her factories which, unlike theirs, were not destroyed in the war. The feeling that Great Britain aims to turn the troubles of her Allies to her own advantage, seems to be quite as prevalent on the Continent as is the sentiment here that the Americans are shrewdly taking advantage of conditions to wrest from England a financial domination she had come to regard as hers for ever.

This feeling against America is, to my mind, unjust and mistaken. So far from the American decision not to lend more money angering us, as it has done, we should regard Mr. Glass as a benefactor. In answer to the accusation that by this refusal the Americans seek to control world finance, and get the Allied nations into their clutches, one merely needs to cite the case of a money-lender and his client. If a money-lender wishes to get his client into his clutches, he goes on lending him more and more money, as people now suggest the Americans should do. On the other hand, the money-lender who has no wish to ruin his client, when the latter comes borrowing from him again, says: "No, my friend, it is time you faced the situation,

reviewed your position, cut down expenses if necessary, worked harder, and endeavoured to carry on by your own efforts, instead of coming to me for still more money. I am not pressing you for what you already owe, but in your own interests, the time has come when I cannot lend you any more." That is the position the Secretary of the American Treasury has taken up, and instead of abusing him, we ought to thank him.

It would have been far easier to agree to extend Great Britain, France, and Italy, further credits, because this would have meant that American exports to these countries would have enormously increased. By refusing to lend, the Americans have dealt a grievous blow at their own export trade. Their action, in fact, forces the Allies to limit their purchases in the United States, as much as possible, compels them to produce themselves, or buy in markets to which in return they can send goods they have made. I have again and again had occasion to protest against the querulous attitude taken up by many people in Australia towards America, but never, even during the war, have I had to deal with such stupid assertions as are now being made against Americans because their Government refuses to allow the Allies to plunge still more deeply into debt.

There are many contributory reasons why the sovereign has depreciated so notably, but before going into them, it is interesting to ascertain why the American exchange should be so bad to-day when, during the war, the £ sterling maintained its value in America, at very little below par, in dollars. This it did despite the fact that England was importing enormously from the United States, and sending that country practically no goods at all. Was certainly getting far more American produce than she is to-day, and was sending across the Atlantic far fewer goods than she is at the present moment. The steadiness of the exchange during the war was maintained artificially by the British Government, but the means employed, whilst justifiable during a life-and-death struggle, are far too costly to be persevered in now that the world is at peace. Their abandonment has brought about the present state of affairs, but

actually we now get the true value of the sovereign in dollars, whereas during the war an entirely fictitious one existed.

It was maintained at 476 cents solely by the purchase by the British Government of dollar securities, and by the issuing of credits to Great Britain by the American Government, for the purpose of purchasing supplies in the United States. Manufacturers in America, instead of looking to Great Britain for payment for supplies they sent to England, looked to their own Government, which paid them, crediting the amount thus given out to the British Government, which accepted responsibility, and paid interest on the money thus advanced. The method of purchasing the dollar securities was to induce, and in some cases compel, holders of certain American stocks to hand them over to the Government of Great Britain, receiving payment therefor in war loan or other bonds, if desired. Over 70 per cent. of the dollar securities obtained by the British Treasury in this way were sold to American buyers. In addition to buying dollar securities, getting credits in America, and raising a special loan there, the British Government shipped large quantities of gold to Washington.

As long as it was prepared to do this sort of thing, it managed to keep the sovereign exchange at 476, but the time inevitably came when it could no longer afford to stabilise exchange in this manner, and down went the value of the £ sterling in American money by leaps and bounds, from 476 cents to 335. Actually, we only have to-day what we ought to have had long ago. The sovereign during the war would only have been worth 335 cents, or less, had it not been for the adoption of heroic means of maintaining it at a high level. Thus the drop cannot be attributed to any conditions which have just recently occurred, but is almost entirely due to the abandonment of the measures set out above. Had they been abandoned two years ago, we would have had the present situation then; possibly, it would have been even worse.

But why, we hear people asking, if we want to buy toys or motor cars, or machinery in the United States to-day,

have we to send £298 instead of £205 for every thousand dollars' worth we buy? The American gets no more dollars for his goods than he did before the war, but, notwithstanding that, we are obliged to send him much more of our money, which is worth just the same to us now as it was six years ago. Who gets the difference? Someone must. Is it the American, the British or the Australian bank, who handles the transaction? I have asked many people this question, but have not had much enlightenment from their replies. My own view of the matter is as follows: First of all, people mix up cash and credit. The sovereign, the gold coin, has actually not depreciated at all. That is to say, if you sent £205 in golden sovereigns to New York, you would get a thousand dollars for them. But you cannot send gold; you must send credit, and then you deal, not with gold metal, but with the purchasing power of the £ sterling. We all know that its purchasing power has greatly fallen since 1914. It takes 30s. to buy what 20s. would have bought then in this country, and the fall has been still greater in England, through which country our financial transactions with the United States are conducted.

It is primarily because the £ has a much lower value than it had formerly as compared with the dollar that the exchange is so against it. Take a homely example. Supposing that the medium of exchange were not sovereigns, but potatoes, and that neighbouring districts were other countries, and that all the farmers went to the same store. In order to get a pound of sugar we were accustomed to pay ten potatoes. A time came, however, when, for various reasons, my potato plants, instead of bearing large potatoes, bore small ones. When I go to the store, and put my ten small murphies on the counter, in order to get my pound of sugar, the storeman promptly refuses to accept them, and insists on my adding to them, until my pile of potatoes weighs the same as the ten large ones, which other customers bring him for his sugar. If you ask: Who is getting the benefit of the four extra potatoes you had to add to your ten, in order to get that pound of

sugar, the answer is that no one is getting the benefit. All that has happened is that your potatoes are not as large as they used to be, and that you cannot expect a man, who is running a store at a profit, to accept ten little ones for sugar, which is worth ten big ones.

You may assert that in your district everyone has the same size potatoes, and that they are still accepted in payment of produce, which is grown locally, and argue therefrom that they cannot really be smaller than they used to be. The storekeeper's reply is, of course, that whilst your potatoes may buy you much the same quantity of goods in your own district, where all the potatoes are the same, directly your potatoes have to be used to buy from other districts, they have to measure up against potatoes of large size, and are found wanting. The comparison is crude, but it conveys the idea, I think. Actually, no one benefits more to-day, by changing your £298 into a thousand dollars than they did by changing your £205 into a thousand dollars formerly. What may happen, and what undoubtedly is happening to-day, is that banks and other institutions who bought dollars and American securities before the drop, are reaping a rich harvest, but their gain is due to foresight, lucky gambling, or what you will, not to the particular transaction of getting a thousand dollars for your £298.

Another point raised quite often is that the sovereign cannot have depreciated really if a gold sovereign can be exchanged for 48½ cents, as, in Australia, a £ note will buy just exactly the same as a gold twenty shilling piece. Within Australia it is perfectly true that you can get no more goods for a gold coin than for a paper note, but, as I pointed out early in the war, any country which was entirely self-contained, could finance itself if it wished on brown paper. As long as all the people within a country are compelled to accept the paper of that country at par value, there will be no difference in the purchasing power of paper and gold. Only when trade with the outside world begins, is the true extent, to which the currency has been depreciated by the wholesale issue of paper money, apparent. The real test is, of course, to send your gold

sovereign to the United States, where it will bring 487 cents, which you can then send back here and get 29s. for.

Some time ago, what is known as the Cunliffe Committee published its final report on currency and foreign exchanges. This does little more than emphasise the conclusions arrived at in its interim report, issued over a year ago, but the events of the last twelve months enable it to dot the "i's," and cross the "t's," with great effect. It strongly urged the necessity of reducing the amount of paper in circulation as being the first step towards lowering prices and limiting the creation of credit, which had bad effect on exchange. The other thing to do was to stimulate production. The reduction of paper money outstanding was in the hands of the Government alone. Instead, however, of setting to work to effect the required reduction, Mr. Lloyd George shouted up and down the country, that the one thing needed was increased production. He was copied by his fellow Welshman in Australia, and "Produce! Produce! Produce!" became the familiar cry whenever Mr. Hughes mounted the rostrum. That is to say, both in Great Britain and Australia, the Governments, instead of doing their part—an extremely difficult one, I grant—threw the entire onus of restoring normal prices on the workers. Produce more, said they, and prices will fall. No attempt whatever appears to have been made to withdraw paper money from circulation; instead the printing press in both countries, has been unceasingly called into further play.

When individuals can get things on credit, they buy freely; when they have to pay cash, they hesitate about making purchases. If money is cheap, that is to say, plentiful, prices go up, unless at the same time the supply of saleable goods increases also. A reduction in the amount of money available sends the prices of goods down, unless there be a corresponding shrinkage in their supply. Thus the slogan, "Produce! Produce! Produce!" is perfectly sound; but it must be accompanied by a reduction of paper money, or it will be of little avail. Instead of withdrawing paper currency in every possible manner, both British and Australian Governments have continued to issue notes, but the

former is far the worse sinner in this respect.

What has happened in England is that the Treasury has been obliged to go on issuing paper money, in order to make it possible to raise by loan the funds needed to meet its current expenses. No less than £1,111,022,000 worth of short dated treasury bills were outstanding at the end of the year, and, in order to make sure that the public renewed them when they fell due, it was imperative that the banks should be willing to extend plenty of credit, and therefore still more paper money was printed. Actually, the British Government has reached the position in which the German Government put itself when the first war loan was raised in Germany. The Germans, because they were obliged to spend all the money they raised in their own country, did not suffer so badly as the British from this sort of financing, for the British were obliged to send great sums of money abroad.

It is obvious enough, of course, that the deflation of the currency is a very difficult matter. If it were systematically begun, and carried on, the Government would find it increasingly difficult to raise loans, and the incomes from which it obtained revenue by means of direct taxes would be reduced. It is urged by those who have studied the matter that, as the purchasing power of money, owing to the limitation of currency, would immediately go up, the Government would be able to reduce its expenditure. That, it seems to me, is just where these critics make a mistake, for the Government does not spend much money on purchasing supplies; it spends it on interest payments, pensions and salaries for the most part, and these three main items would remain just the same, no matter whether the purchasing power of the £ sterling went up or not. No one believes for a moment, I imagine, that if the purchasing power of the sovereign increased from 10s., as at present, to 20s. as formerly, any Government would dare cut down old age pensions to the pre-war figure of 5s. a week, or would venture to reduce the salaries of civil servants, soldiers and sailors, to what they were before the war!

The absolute truth of old Gresham's law—that bad money drives out good—has been well demonstrated during and since the war. Nobody sees gold now—paper has driven it away. It is becoming urgent that the British, and in lesser degree the Australian, Government, should speedily get to work to withdraw the bad, so that the good may again appear, when prices would fall, and the purchasing power of the sovereign would be restored. If this is not done, then we must resign ourselves to permanent depreciation of the sovereign, which means that we would apparently have to pay twice as much in future for everything, as we did in the past. That would be all right, providing wages, earnings and salaries were all doubled, to keep pace with the drop in the purchasing power of the pound. If this were done, we would regard a £-note as worth 10s., and the man who had been earning, say, 20s. a day, would have to be given two £-notes. I must confess that if this adjustment could be made all round, I would be quite in favour of leaving things as they are, for a permanent depreciation of this nature would cut our war indebtedness in half.

Instead of owing £8,000,000,000 as would be the case if by withdrawing paper money, the British Government managed to win back the purchasing power of the sovereign, it would actually only owe the equivalent of £4,000,000,000 (old valuation), if it allowed things to slide. Already there are indications that this is the course it intends to pursue. It has increased old age pensions from 5s. to 10s. It has doubled the pay of soldiers and sailors. It has largely increased the salaries of civil servants, although nothing like enough yet, if the real value of the sovereign is in future to be 10s. Wages have doubled in many cases. That those depending for their livelihood on the interest on investments will suffer severely is unfortunate, but obvious. On the new basis, the actual revenue of the Exchequer this year, set down at £1,200,000,000, would, in old values, be but £600,000,000; and expenditure, set down at £1,600,000,000, would actually, reckoning a sovereign to be worth but 10s., be only £800,000,000.

Once we get used to a £ being only half a sovereign, and all adjustments are made, the budget figures, and the war debt, have a far less sinister appearance.

Before the war, despite the fact that Great Britain imported from the United States goods, whose value was three times as great as that of the goods she sold the Americans, the balance was kept even by the payment by American concerns of the interest on some £800,000,000 worth of their securities, held by people living in England, and, in addition, whenever the temporary need arose, gold was shipped to New York from London. Last year Great Britain imported goods from America, worth nine times those she sent back in return; but during the last few months, the balance was back almost to pre-war proportion. But, instead of almost £40,000,000 being sent annually as interest from the United States to England, England has to send rather more than that amount each year to Washington to meet the interest on money, or credit, advanced her by the American Government.

Whilst those engaged in trade with the United States deplore the sad state of the American exchange, it is perfectly possible that the British Government views it with equanimity. A brake had to be put on purchasing gigantic quantities of supplies in the United States, and no more efficient brake than an adverse exchange could be devised. Inability to secure the raw material they need in America forces British manufacturers to seek what they want within the Empire, for, despite the fact that the sovereign has a less purchasing power in England than in Australia, South Africa, and other colonies, it is accepted at par throughout the empire, except in Canada and in India.

Actually, of course, the Australian £ ought to be worth more than the English £, just as the equivalent of the £ in Canada, the five dollar piece, is worth about 25s. in English money to-day. It is a curious state of affairs that, whilst the British sovereign is worth 20s. in Australia, it is only worth 3.70 dollars, or 15s. in Canada. Yet, Australia and Canada both belong to the

British Empire; both are producing countries; both supply the motherland with raw materials and food she requires. Why should Australia, whose exports to the United States equal her imports from that country, get only 13s. for her £ in America, whilst Canada, whose imports from the States exceed her exports to that country gets 17s. for hers? Obviously, Canada benefits by dealing direct with New York, and we are penalised by carrying on all our financial transactions with her through London. There is no question what ought to be done. We ought to accept the tentative suggestion of the American Federal Reserve Banks, and allow them to open a branch in Sydney or Melbourne for the sole purpose of establishing direct exchange with the United States. Although that proposal has been turned down, some other will undoubtedly have to be adopted, for it is

ridiculous that we should be penalised in this way when what is practically direct barter would stabilise exchange.

To my mind there can be no doubt that the printing of millions of paper notes has immensely lessened the purchasing power of the sovereign. Not only can we buy less sugar for our 20s. than formerly, we can buy fewer dollars. To get back the purchasing power of the sovereign in sugar, or dollars, or tea, it is absolutely necessary to withdraw the paper as rapidly as possible. If that is not done then we ought to regard the sovereign as permanently worth only half what it used to be, and adjust wages, salaries, pensions, etc., on that basis.

I hope to publish an article on this fascinating subject from the authoritative pen of Professor Meredith Atkinson in our next issue.

NEW SOUTH WALES NOTES.

(Continued from page 188.)

of the local governing bodies have been doubled; returned soldiers can vote, provided they have been resident for three months in a ward; and both aldermen and councillors must attend at least half of the meetings during the year, or cease to hold office, a great improvement on the old law, under which only three attendances in the year were required to retain a seat. Any number of these local government bodies may co-operate to obtain power or water supply, construct light railways, establish markets and abattoirs; but without co-operation, they can do almost anything they like. Mayoral allowances, which, in some cases have been as high as £300, must in future be no more than will recompense the mayor for his probable expenses.

The rating, which was first made optional in the municipalities on unimproved capital values under the Act of 1906 and compulsory in shires up to a penny in the £, is now made compulsory for everything but loans, the old system of rating on improved annual values hav-

ing been almost universally abandoned in favour of the present system, which was first introduced into Australia by Queensland in the early '90's, shortly after the visit of Henry George. Almost the only rating authority in New South Wales which still taxes on the improved annual value is the Water and Sewerage Board, and the old system will have to be abandoned there before long.

Contrary to expectation, the elections were very tame, the people not having yet realised the importance of the change. The Labour candidates were heavily defeated at Lithgow and Broken Hill, their strongholds hitherto, their principal metropolitan successes having been at Paddington and Redfern. The German candidates at Culcairn, against whom there had been a strong demonstration, were defeated, as also were the only two women candidates—Mrs. Saltwell and Mrs. Burdett. According to Councillor Lowe, the amended Act is very undemocratic in that "for every increased power given to us we have to go to the Minister for consent."

9/2/20.

WHY THE GERMANS SANK WITHOUT WARNING.

The reply of the Germans to the British starvation blockade was the submarine. At first the underwater craft attempted to carry on the fight in accordance with the rules of naval warfare, drawn up before the submarine was seriously considered as a weapon, but later they sank merchantmen indiscriminately and without any warning. Why they did this is amply explained by Admiral Sims in his latest article, contributed to *The World's Work*. In it he tells about the Mystery Ships, under the heading, "Decoying Submarines to Destruction." The American naval chief says:—

The Germans had a fairly easy time in the early days of submarine warfare on merchant shipping. They sank as many ships as possible with gunfire and bombs. The prevailing method then was to break surface, and begin shelling the defenceless enemy. In case the merchant ship was faster than the submarine, it would take to its heels; if, as was usually the case, it was slower, the passengers and crews lowered the boats, and left the vessel to its fate. In such instances the procedure of the submarine was invariably the same. It ceased shelling, approached the life boats filled with survivors, and ordered them to take a party of Germans to the ship. This party then searched the vessel for all kinds of valuables, and, after depositing time bombs in the hold, rowed back to the submarine. This procedure was popular with the Germans, because it was the least expensive form of destroying merchant ships. It was not necessary to use torpedoes, or even a large number of shells; an inexpensive bomb, properly placed, did the whole job. Even when the arming of merchant ships interfered with this simple programme, and compelled the Germans to use long-range gunfire, or torpedoes, the submarine commanders still persisted in rising to the surface near the sinking ship. Torpedoes were so expensive that the Admiralty at Berlin insisted on having every one accounted for. The word of the commander that he had destroyed a merchant ship was not accepted at its face value; in order to have the exploit officially placed to his credit, and so qualify the commander and crew for the rewards that came to the successful, it was necessary to prove that the ship had actually gone to the bottom. A prisoner or two furnished unimpeachable evidence, and, in default of such trophies, the ship's papers would be accepted. In order to obtain such proofs of success, the submarine had to rise to the surface and approach its victim.

These tactics of the submarine commanders gave the Allied naval men an opportunity they were not slow in taking.

They decided to disguise armed ships as merchantmen, and do everything possible to decoy the submarine within range when they would promptly sink her with hidden guns. The *Emden* was fiercely criticised for endeavouring to disguise herself as an Allied warship, by setting up a fourth funnel, but she never went so far as to pretend that she was a merchantman, though the *Wolff* and the *Moewe* did this later in the war. Anyway, by pretending distress, surrender and fright, the crew of the Mystery Ships did their best to lure the submarine to destruction.

The trustful submarine commander who approached a Mystery Ship in the manner which I have described, promptly found his resting place on the bottom of the sea. I have frequently wondered what must have been the emotions of this first submarine crew, when, standing on the deck of their boat, steaming confidently toward their victim, they suddenly saw its bulwarks drop, and beheld the ship, which, to all outward appearances, was a helpless, foundering hulk, become a mass of belching fire and smoke and shot. The picture of that first submarine, standing upright in the water, reeling like a drunken man, while the apparently innocent merchant ship kept pouring volley after volley into its sides, is one that will not quickly fade from the memory of British naval men. Yet, it is evident that the Allies could not play a game like this indefinitely. They could do so just as long as the Germans insisted on delivering themselves into their hands.

For some time the existence of the Mystery Ships was kept secret, but soon the Germans learned of it; a submarine which a Mystery Ship reckoned sunk managing to limp back to a German port. The knowledge of the fact that such ships were prowling about the seas actually forced the Germans to resort to sinking ships without warning, and as in all only twelve submarines were sunk by the Mystery Ships, it is open to doubt whether their use, which forced the Germans to adopt sinking without warning, was worth the cost? We have to remember, though, that these ships forced the adoption of a policy, which brought the United States into the War. Without American aid where would the Allies have been? Says Admiral Sims:—

That the Germans knew all about these vessels became apparent when one of their naval publications fell into our hands, giving complete descriptions and containing directions to U-boat commanders how to meet this new menace. The German newspapers and illustrated magazines also began to devote much space to this kind of anti-submarine fighting, denouncing it in true Germanic fashion, as "barbarous" and contrary to the rules of civilised warfare. The great significance of this knowledge is at once apparent. The mere fact that a number of Q-ships were at sea, even if they did not succeed in sinking many submarines, forced the Germans to make a radical change in their sub-

marine tactics. As they could no longer bring to, board, and loot merchant ships, and sink them inexpensively, and without danger by the use of bombs, they were obliged not only to use their precious torpedoes, but also to torpedo without warning. This was the only alternative except to abandon the submarine campaign altogether.

Of all the commanders of Mystery Ships Captain Gordon Campbell was the most successful, sinking four submarines. The account given of his last fight, when skipper of the *Dunraven*, makes thrilling reading.

WILL LLOYD GEORGE LEAD THE LABOUR PARTY?

Mr. Herbert Sidebotham, the military critic of *The Times*, contributes a brilliant character study of Mr. Lloyd George to *The Atlantic Monthly*. "Even now, after so long a career in politics," he writes, "Mr. Lloyd George's position is uncertain. Any one of a number of developments is still possible for him, and the surprises of his future may be as great as those of his past."

Already he has been the hero and the villain of all three political parties. The statesman who more than anyone else kept the resolution of the country sternly tempered to victory throughout the war began his political life as leader of the pro-Boer guerillas in the Liberal Party. The virulence of his attacks on the landed classes added a new verb—"to Limehouse"—to the dictionary of political slang; but within a few years the same squirearchy was nestling comfortably in his bosom. Alternately the bogey and the pet of the City, he has commanded both the left wing and the right of the Liberal Party; and even Conservatives now may occasionally be heard to complain that this ex-leader of the Liberal extremists has surrendered their hopes of reform to the Tory reactionaries.

But, in spite of this uncertainty in his political orientation, the charge of inconsistency is the one that is least often brought against him. Perhaps it is that no one nowadays in English politics dares accuse anyone else of inconsistency; perhaps, in these days, when people have had to cast so many of their principles into the melting-pot of war, the organic unity of a strong and attractive personality is felt to be a surer anchorage than purely intellectual or mechanical adjustments.

Mr. Lloyd George came of the lower middle class. Born in a mean street in Manchester, he went early in life to Carnarvon in North Wales, where he had an uncle who was a solicitor. He became a member of the firm, and passed into politics through the law. But the Chapel, says Mr. Sidebotham, did more

for him than the study of the law or business.

Welsh Nonconformity is of an entirely different temper from the English variety. If one would realise the difference between Welsh and English Nonconformity, one could not find more typical examples of either than Mr. Lloyd George and Sir John Simon. Simon—the son of a Congregational minister, also of Manchester—is in controversy cold and dry, his feet are never both off the ground at once, his argument is like brick-laying. Lloyd George is ecstatic and homely by turns. He leaps from point to point. His argument advances, not with the steady tramp of infantry, but with the burr of an aeroplane flight.

That Mr. Lloyd George is, and always has been, a genuine democrat, there is no possibility of doubt. It is equally certain that he was, and is, a Radical. Whether he was ever a Liberal, too, is open to question.

English Liberalism is not a body of doctrine, but a state of mind, a way of judging things. To be a typical Liberal leader, you must have entered by the straight gate, and the narrow path, not necessarily of birth, but at any rate of education and upbringing.

The Radical mind, on the other hand, has broken completely with tradition, and is definitely iconoclastic. It is always asking, Why, why? with regard to all institutions and every reputation. It is instinctively sceptical. It questions even accepted principles, and it subjects everything to the remorseless tests of utility, logic, and, above all, of efficiency. The Radical, in this respect like the Conservative, often thinks more of men than of measures, and makes up for his lack of the sense of continuity in history by closer study of human nature and a broader sympathy.

In Mr. Lloyd George's Measures, as a member of the Liberal Government that came into power in 1906, there glowed the ardour of a true son of the people.

Old Age Pensions and Unemployment Insurance are both admirable examples of Radical legislation.

Mr. Lloyd George, who up to 1906 had been known only as a caustic critic, now became known as the man who could get things done. His courage was indomitable, and his democratic ardor swept away all obstacles. Though no man ever had less patience with the details of the measures that he introduced, he had an unrivalled gift of putting them on the way to success. For this statesman, apparently an extremist, was really an arch-accommodator. He never challenged political opposition when he could get round it; already he was a past master in the art of managing men.

The same instinct which made Mr. Lloyd George so sceptical about what was called party principles also inclined him to disbelieve in the party machinery.

He was too much of a realist to think, as the good party man should, that his opponent was not only wrong, but ugly and immoral, and, if the truth were known, probably a wife-beater, too. He played the political game within the conventional limits with rare skill, but for all that, one suspects, with his tongue in his cheek. Party was useful in so far as it enabled him to accomplish the end which he desired; if it was useless for that, well, so much the worse for party. He was as ready to scrap a party or a programme as an American manufacturer is to scrap his machinery.

Mr. Lloyd George's methods of reform have always been influenced both for good and evil, by the desire to find short cuts. He is a modern of the moderns. He took to the Peace Conference, says Mr. Sidebotham, "a plentiful lack of knowledge of European politics, and two or three very firm convictions."

He realised that new conceptions of democratic government were in the air, and that the people would not be content in the future with the catchwords of liberty, but would insist on the substance, alike in their political and in their economic life. He saw that Imperialism in every form had begun to stink in the nostrils of the people, and that the future greatness of the country lay in the paths of peace. War Radical during the war, when it ended he became in all his instincts the old Peace Radical again. And, lastly, he firmly believed that Great Britain and the United States together had a great duty to the world to perform, which depended on

the establishment of a firm friendship between them.

After the Armistice, he yielded to the fatal temptation to secure a new Parliament overwhelmingly in his favour, by appealing to the country on the single issue of claiming support for the Government that had won the War. The results of that election have produced an intense reaction in which the new Parliament has fallen into irretrievable disrepute. The situation demands just that sort of magnetic leadership which is Mr. Lloyd George's special gift. But will he lead towards the right or towards the left?

"The present Coalition," says Mr. Sidebotham, "is useless as an instrument of government; it exists only by smothering its differences of opinion; but any coalition, to be effectual in peace, must have one mind, one policy."

There are two alternatives before the Prime Minister. He may, as Mr. Winston Churchill would have him do, don the mantle of Lord Randolph Churchill, and found a new Tory Democracy. This party might or might not call itself a Centre Party. It would include about half the Liberals, an equal number of Tories, and a fraction of the Labour Party. Outside it would be the Labour Socialists, the Asquithites, and the old Tories. If such a party could agree on a common policy, it would hold power for a very long time, and do an immense service to the country. Such a party might have been formed before the election if Mr. Lloyd George, who made the mistake of under-estimating his power in the country, had had the courage to shake himself free of the Conservative Party organisation, which was as powerless to hurt him as the Liberal organisation. Now it may be too late.

The other alternative is for Mr. Lloyd George to swing to the left. He can capture the Labour Party as the old Socialist Independent Labour Party did before him; for the only reason why the Socialists gained such an influence in the Labour Party (which is itself a coalition of Liberal and Conservative working men) was that they had most of the ability and the only definite policy. This is the real coalition for Mr. Lloyd George, and he will carry into it a great number of Liberals, and an appreciable fraction of the Conservatives who have worked with him. And this creation of a new Labour Party, capable of taking office, and striking out a genuine national policy, will be the greatest service that his genius could render to the country.

REBUILDING RUINED VILLAGES IN FRANCE.

Ever since the Armistice hundreds of thousands of French people who were forced to flee before the German in-

vasion have set themselves with an astonishing devotion and courage to get back to their desolated homes, and to

rebuild their shattered houses. Over 2,000,000 were dispossessed, and probably 95 per cent of these are longing to return without delay. No fewer than 2500 towns and villages were destroyed, and more than 500,000 houses were seriously injured; in addition, nearly half that number were completely demolished. The devastated regions of the great battlefields suggest that the task of reconstruction is hopeless. But the spirit of the French is indomitable. Probably no other people could have already done as much as they have actually accomplished.

Major George B. Ford, of the American Red Cross, and director of *La Renaissance des Cites*, contributes to *The American Review of Reviews* an inspiring account of the work that has been done in the past few months by the French villagers with the aid of philanthropic organisation from other countries.

The work goes slowly at first, as it must be organised on a big scale if anything effective is going to be done. The Government is concentrating now on the most urgent things that must be done first if the big reconstruction programme of the future is going to be carried out in its logical sequence, and the American and French relief units working in the devastated regions are doing a wonderful work in keeping up the morale of the pioneers who have come back.

The first thing is to get the farming land back into cultivation, and the 280,000 men who are working on this job are making rapid progress. By next autumn, except for the 275,000 acres of land that are so badly churned up that it is quite worthless trying to do anything to them, the best part of the 2,000,000 acres that need attention will be back under cultivation.

As far as there is a means of earning a livelihood, either in agriculture, commerce, or industry, the refugees are coming back, and the Government is having thousands of demountable houses and barns made and sent up to the devastated regions, and in addition is taking over hundreds of barracks from the army, which it is setting up as receiving stations until the refugees can be housed in their own properties. The Committee for Relief of Belgium is helping greatly in this, and is now providing and setting up, with the help of 600 men from the United States Navy, some 360 large barracks. The American Red Cross is also furnishing some 200 demountable houses, and the Anglo-American Society of Friends is providing and setting up some 700 more, in addition to having repaired about 800 houses.

Hundreds of Government tractors are already at work in the devastated regions. Farming implements and machines, seeds, fertilisers, cattle, poultry, etc., are being supplied

to the returning refugees against their eventual indemnity.

It is only in the villages that any speedy progress is yet possible. Major Ford cites certain instances in which the work of reconstruction is already practically complete. When he returned after two years to the three little hamlets of Glannes, Huiron and Courdemanges, "it was as if a magic wand had been waved over the ruins."

Fine, sturdy farm barns and comfortable homes had sprung into being; the fields were all being ploughed, and the villages looked like any of the thousands for which France is so famous, excepting that here everything was new and clean. Better yet, while the villages were rebuilding they had taken advantage of the opportunities, and had really tried to modernise the construction.

How has this astonishing recovery been so quickly brought about? It is the direct result of the co-operative principle, applied with persevering idealism to the desperate needs of a situation almost without precedent. The credit for this achievement rests primarily with an official of the French Ministry of Agriculture, Commandant Doiree, who, remembering how, after the big floods around Paris in 1910, some of the small towns had succeeded in forming co-operative societies for rebuilding, decided to try the same experiment in the devastated area of the Marne. In the three villages which Major Ford visited, the local Reconstruction Society had already spent 400,000 francs on buildings for its members.

The scheme is very simple, so simple that you wonder why it is not being done everywhere from Belgium to Alsace. The property-owners get together and constitute a co-operative society; they employ one architect for all the members, and then they go to the Government, and ask to have their damages appraised. The Government sends expert appraisers, who report on the basis of values as they were in 1914, the property damage sustained by each owner. Despite the fact that the war indemnity bill is not yet voted in France, the Ministry of the liberated regions is making advances to the damaged proprietors up to 75 per cent. of the estimated losses when they are acting individually, and up to 90 per cent. of the estimated losses when they are members of a reconstruction co-operative society. This fifteen per cent. extra encouragement shows how the Government feels about the value of these co-operative societies.

As soon as the members of the co-operative society know how much credit they can get from the Government right away, they ask

the Co-operative's architect to make plans for their farm buildings, starting with the big farm barn. Then they get several contractors to estimate on all the buildings in one job, with the understanding that no more shall be built for any proprietor than he has credit to pay for. One contractor is chosen for all the work of the Co-operative, and he sets to work. The French Government furnishes skilled German prisoners, who cost the contractors only four francs a day, including their board and lodging, and then he takes on such other French workers as he may need to round out his force. He gets most of the building material from the Engineering Corps of the French army at cost, and he gets transportation in the same way. If there is anything the French Government cannot furnish him, he goes out and buys it.

The result is that the Co-operative Societies, with the help they get from the Government, in view of the fact that the reconstruction work costs two and one-half times as much as it did in 1914, are actually able to rebuild over half of their original plant without having to put any of their own cash into it, whereas the isolated individual who rebuilds in the ordinary way of business can rarely rebuild more than a quarter of the original plant without going into his own pocket. The job of rebuilding the devastated regions is so stupendous that if each individual is going to rebuild by himself, the work will never be done. It is only by some sort of united effort and pooling of interests that any change in the situation can be made.

There is another way in which united effort can, and in fact in one case has, actually accomplished the reconstruction of a whole village.

The little farming village of Vitrimont, down in the rolling hills of the Department of the Meurthe-et-Moselle, had some 265 inhabitants before the war. It was a typical farming village of the region, having two wide main streets, with a line of manure piles and farm waggons the length of either side. It was as dirty as any other town of the region. In 1914 it was completely destroyed by the Germans. A group of Californian women, headed by Mrs. Crocker and Miss Daisy Polk, asked Prefect Mirman, of the Department of the Meurthe-et-Moselle, to give them a village to reconstruct; he offered Vitrimont.

In the fall of 1916 I passed through the village, and in the one remaining house I found Miss Daisy Polk installed, buried in blue prints and estimates; the first workmen were arriving that day—fifty of them that she had gathered together from anywhere in France. It looked like a hopeless job, but it did not daunt her.

I went back there again last spring, and

I found myself walking down the "Rue de Californie," in as charming a model village as you could hope to find outside a child's picture book. Everything was spotlessly clean; the manure piles had disappeared behind the houses; even the decrepit farm waggons that used to line the streets had disappeared somewhere; trees were planted along the streets, and the houses and farm buildings themselves, which recalled all that was best in the local style of architecture, were gay and attractive with their red tiled roofs, and their harmoniously painted doors and windows; even the windows looked different because they had been increased in size and number, and the rooms which they opened into were now full of sunlight. Inviting benches were in front of the houses, and boxes full of bright flowers were in the windows.

I went inside, and found clean, tiled floors, and attractive painted walls—no more of the seven-layer-deep wall-paper, which the department stores used to foist on the indiscriminating farmers. There was good substantial furniture, and a general air of well-being and homelikeness, which was a joy to see. Even the foul privies had given place to more sanitary arrangements, and the wells had been protected against the infiltration of harmful matter. The farm yards were orderly, with everything in its place. A feeling of self-respect and a desire to live up to the surroundings seemed to have come over the whole village.

The villagers have now everything that they had before, with lots of new and better things added, and it did not cost them a cent. They simply made an arrangement with their benefactors whereby all the eventual indemnity which they will receive some day from the French Government, will be ceded directly to the American group, who, in turn, expect to use it for whatever public buildings or services the village may need for their common use.

The work is most inspiring. Major Ford concludes, a really wonderful object lesson of what might be done in most of the 2500 destroyed villages and towns. For if the greater part of them are to be reconstructed with the devotion that has been shown in Vitrimont, the liberal regions of France, will become the Utopia of the world. It is well indeed that the French are seizing the opportunity of replacing their old, dirty, insanitary villages with model farms and up-to-date equipment. The destruction may yet prove to have been a blessing in disguise.

HOW CAN EUROPE BE SAVED FROM BANKRUPTCY?

Sir George Paish, editor of *The Statist*, and the financial adviser of the Government, has recently returned from

a visit to Germany. For many months he has been warning the Governments of Europe that the financial situation of

the world is extremely dangerous, and recently he made a strong appeal in Paris for the co-operation of all the Allied countries to restore the tottering credit of Europe. In an article in *The International Review* he repeats his warnings of the imminent danger of bankruptcy, and describes his impressions of his visit to the Continent.

The credit of Europe is breaking down. You cannot have a discount on the sovereign, a still greater discount on the franc, a still greater discount on the lira, and a still greater discount on the mark, the krone, and the rouble without being near to a destruction in which the trade of the world may break down. England depends more than any other nation upon food and raw materials coming to us from all over the world. At the beginning of the war there was a breakdown. This was rectified by the British Government pledging its credit for the bills drawn upon this country. But the present situation is far more serious. Then a few firms were in difficulties. Now nations are in difficulties. Europe needs to-day all the food and all the raw materials that the world can produce. The world cannot sell its surplus supplies of food and raw material unless it sells them to Europe. But Europe has no means of paying for them. Productive power has gone down in an alarming manner. Mr. Hoover told Europe that until its productive power is restored the whole situation will be one of very great danger. The lives of 100,000,000 people in Europe are in danger to-day.

How is this to be rectified? Is it a time when any nation can refuse to help?

The world to-day is waiting for payments to be made from Germany to France and Italy. These payments cannot come, at least, for a great many years. It is no use waiting for them. I have just been in Germany to discover at first hand what the situation is there. I came away more alarmed with the situation than ever during the war. The people are without anything like a proper stock of clothing, without sufficient food, without an adequate supply of fuel, and without international money or credit. Their women and children are very near to the starvation level. We may have an explosion in Germany at any moment that will destroy not only Germany, but France, Italy, and ourselves. But nothing effective is being done to rectify this situation. It is for the Governments to decide what action is to be taken. That action must protect the lives of the people of Europe. It must defend civilisation from the danger in which it is to-day. It is especially essential for the Governments to shoulder the responsibility that is upon them. If they fail to do so, and we permit things to drift, we too shall be responsible. The people of the *Entente* nations must see that they move.

It is essential that the League of Nations should get into operation as soon as possible.

When properly formed it will comprise every nation in the world. It will enjoy a greater measure of credit than any other body, and, however great is the assistance needed, the League of Nations can provide it. It should immediately take the measures which the situation demands. It is quite impossible for this country to shoulder the burden alone. The sovereign has gone down because we have been shouldering the burden, and have sent vast quantities of goods to the Continent, for which we cannot obtain payment. We are having to buy from America equally vast quantities of goods for which we cannot pay, because we cannot get payment from the Continent. If this goes on we shall be in exactly the same condition as the Continent is now. We may become bankrupt through our inability to pay for the things we need to buy abroad.

The amount of credit required is greater than has ever been provided before. Roughly speaking, Europe requires something like £2,000,000,000 of credit in order to buy the products needed for maintaining her people in the next twelve months.

The Prime Minister of Italy places the needs of that country at a very high figure. The requirements of France are larger still. The amount of credit needed to keep the German people alive is still greater. These credits can be provided by the League of Nations. No other organisation is powerful enough to deal with the situation. Germany should do as much as she possibly can to rectify the mischief she has done. She cannot do her utmost unless she has raw materials for her factories, and food for her people. The way to restore France is to restore Germany. The money needed to restore the devastated districts is very large; it cannot be provided unless Germany's productive power is fully re-established. Again, I would point out that the work of restoring Europe must be directed to rendering Europe once more self-supporting. Europe must eventually be able to pay for all the food and all the raw materials she needs by exports and services. The situation cannot be rectified until the productive power of Europe is restored. That means that we in this country must work, everyone should clearly understand that unless we work—unless we can get our productive power up, Europe's productive power up—we shall come near unto disaster. Not only are our people's lives at stake, and the lives of their wives and children, but the lives of the men and women and children of other nations are at stake in this matter of production.

But will Germany, if we assist her out of her difficulties, use her recovered prosperity for a renewal of militarism? Sir George Paish has no hesitation in de-

claring that the whole spirit of Germany has been changed by her sufferings during the War.

No one who goes to Germany can doubt how great these sufferings have been—ininitely greater than our own. The German people have been suffering for four years from something like starvation. I am convinced, not only from seeing the people, but from talking with their leading men, that the spirit of militarism in Germany is dead,

and that we at the present time have the greatest opportunity ever presented to a nation of winning over to our policy—a policy which is opposed to militarism—one of the greatest races in the world. I have no doubt what the future holds. The world in the future will never allow a war such as we have had to come again. We have not yet entirely got out of the war. But when we have got out of war, I am convinced that we shall never want another war, and that we shall never, if we can help it, permit another war.

D'ANNUNZIO : POET, AIRMAN, FILIBUSTER.

No name has been more on people's lips than that of d'Annunzio, the great Italian poet, who recently startled the world by leading a Filibustering Expedition to Fiume. Yet, despite his fame, we have had few intimate portraits of the man himself, consequently a description of him which appears in *The Atlantic Monthly*, from the pen of Gertrude Slaughter, is particularly interesting.

She tells how she acted as interpreter between him and Judge Lindsay, of Colorado, in a house in Venice, whose walls were shaking with the reverberation of the guns, thundering a few miles away on the Piave. She says:—

"One thing the war has taught us," d'Annunzio said, "that there is no death. The old distinction between life and death exists no longer. We do not mourn our dead as formerly, because the dead, we know, live on. And we no longer fear to die." His manner of speaking would have commanded the attention of any audience in the world. The strange unattractiveness of his little bullet-head, close-shaven; of his pale face, with its one seeing eye, and its straight, graceless mouth; of his rather haughty, indifferent, introspective look—this was forgotten from the moment he began to speak. His expression had changed without any change in the lines of his face, without a smile. Only, from under his brow, that penetrating look, now turned outward, and that fibre of his quiet voice, which riveted the group around him as I have seen it hold vast audiences in a Roman amphitheatre, and in open fields of the war-zone.

The Judge spoke of an "Ode to America," which d'Annunzio was writing, and which was ultimately cabled from Rome. It appeared in the American newspapers on the 4th July.

The poet, it was clear, was elated over this his newest adventure. He had refused an invitation to join his son in America, "because," he said, glancing in the direction of the guns, "I cannot leave my country

now." Meanwhile, he would send a message in divine verse; and he had given up who knows how many trips with his flying squadron, to remain in his little red palace on the Grand Canal, while he refreshed his mind with a review of our history, and directed the flights of his fancy and rhetoric to the formation of an ode. No doubt he thought his words would be taken as seriously in America as in Italy and France, and beyond the Adriatic. And, of course, he was deceived. His message, I knew later, was almost unheeded: it fell flat with crumpled wings; and I was reminded of the difference between the Old World and the New, of which I had been conscious that day over the teacups on the edge of the battle of the Piave.

Miss Slaughter considers that d'Annunzio was largely responsible for Italy's entry into the war, and also for rallying the people after the disastrous defeat of Caporetto.

With all the faults of his stupendous ego, d'Annunzio, if anyone, deserved a hearing. His words had raised the minds of the people to a high pitch of moral enthusiasm in two great crises of the national life. When the sentiment of the country was converging toward war, and in the stern days of recovery after the retreat from Caporetto, the discourses he pronounced were so exalted in tone, and so important for their power of leading, that, in the small and unpretentious volumes that contain them, they seem confined within too narrow limits. d'Annunzio's surcharged style is a medium of astonishing efficacy for the expression of righteous indignation, and his prose has the poetic power, so dear to his fellow countrymen, of resolving into high symbol the episodes of dull existence.

His power in Italy is not of words alone, the Garibaldian tradition of deeds is no less a reality than the tradition of the Rostrum.

To that complex people, in whom the fiery ideals of youth combine mysteriously with age-old habits of inexorable logic, deeds of valour have the force of conclusive arguments. And d'Annunzio, the volunteer, the aviator, and the wounded soldier of the Carso, had a power after the war incomparably

greater than when, returning from France, he bent himself to gird the nation for war. Whether men of lesser fame deserve the credit for his exploits is another question. The glory is his. And it is a glory of deeds.

Had d'Annunzio possessed the qualities of a statesman, he would have become a very great leader; but after the Armistice he showed himself utterly lacking in the conciliatory spirit which the hour demanded. The settlement which President Wilson compelled Italy to accept enraged a section of the people, and we know how d'Annunzio took advantage of this to carry out his raid on Fiume. The Italians were disillusioned, and considered that they had been deceived, and d'Annunzio, who had thrown up his commission in the army in disgust, had no difficulty in finding 10,000 volunteers, who would accompany him on his expedition.

Nothing but the deep disillusionment of the people could have made this possible. Whatever may have been d'Annunzio's motive—whether, having failed to win an epic death, he now sought fame as the protagonist in a drama of life; whether, having made Dalmatia his mistress, he was burning to lay a living sacrifice at her feet; whether it was true patriotism that moved him, or inflated selfishness—it is certain that he won the approval of much of the best element of the nation. Idealists and liberals, disappointed over the Conference of Paris, had lost their faith in the future. The cause for which they had led the country into war against the materialists, who stood for the greater gain of neutrality, was being dragged in the dust. And it is not altogether strange if the Old-World ideals for which d'Annunzio stands—chivalrous resistance, fearless defiance, and the determination never to yield—seemed to them more noble than all the compromises of the peace-makers.

It is probable that this expedition of the filibusters will yet lead to a tragic explosion in the Balkans, and to further war.

AUSTRIA'S FUTURE.

A well-known Hungarian economist, Dr. Karl Schlesinger, discusses in *The International Review* the future prospects of Austria, which of all the belligerents has suffered the most severe mutilations under the Peace Treaty, and has shrunk from being a great Empire to the status of a small nation, surrounded by more or less hostile neighbours. There are three alternatives open to her in her desperate struggles to maintain some relics of her former greatness and prosperity. She may maintain her complete autonomy, she may decide on a union with Germany, or she may throw in her lot with the Danube Confederation. Of the three alternatives, Dr. Schlesinger declares that complete autonomy has least to recommend it. It would result in sudden restriction of her fiscal area, and so greatly disorganise production; it would injure her central financial and industrial organisations that have been formed to operate on a wider scale; it would expose her to hostile tariffs on all her frontiers; and it would throw her upon her own resources for the restoration of her credit, and in payment for her imports.

Most of these disadvantages, however, could be avoided by Austria either

through a Danube Confederation, or through a union with Germany.

In a Danube Confederation Vienna would lose only a part of her previous functions as the centre of administration. Centralised economic organisation would be required for the whole territory, and some of the central organs might be in Vienna. The customs union and the specialised economic organisation, to which Austria had accommodated herself, would remain, and would protect her against the misuse of monopolies. Moreover, the Confederation would offer her a less material advantage, in that the feeling that the Germans of Austria, and the German minorities in Czecho-Slovakia and Jugoslavia belonged to the same union would be some satisfaction, and might exercise some effect upon the treatment of the minorities.

Union with Germany would entail difficult and costly changes in economic organisation, and the organisation of production. On the other hand, Austria would then belong to a large economic area, and would be protected against the misuse of monopolies against her, particularly coal, and would be in a stronger position to bargain with Czecho-Slovakia, because she would control communications with that country. Further, the superiority of German economic organisation, her relatively greater wealth and credit, would lead to an economic fertilisation of Austria as soon as she became, through the union, a domestic sphere of activity for German enterprise. Such a union would be facilitated by the economic ties already existing, particularly through German investments of capital, between the two countries. Vienna would take its place as the second most important centre of German administration, commerce and

finance. Finally, there are strong spiritual forces making for union. There is racial and cultural community, and how strong these forces are can be seen in the case of the British Empire, which depends for its union upon these rather than upon legal bonds, where as in the case of the Germans of Austria and Germany there is also the factor of geographical neighbourhood. In the absence of a Danube Confederation, irredentism among the German minorities would undoubtedly look to and base its hope on Germany.

It is difficult to say, supposing that the choice of Austria were free, whether she would prefer to join a Danube Confederation or unite with Germany. The interests of Hungary stand in precisely the same relation to the three alternative policies as do those of Austria.

Isolation would entail the same economic difficulties, although Hungary's loss of territory is smaller, and she is in a more favourable position with regard to international trade. But a Confederation is also in the interests of the other Danubian States. They would reap the advantages of belonging to a large economic unit, and they would avoid the domestic and foreign dangers of irredentism. Within the Confederation racial animosities would be counteracted and blunted by common class and economic interests. This is especially true of Czecho-Slovakia. With national minorities forming 30-40 per cent. of the population, Czecho-Slovakia must, if there be no Confederation, be torn by racial discords, and will become a second Austria-Hungary surrounded by a circle of irreconcilable enemies. The same applies to Roumania and Jugo-Slavia: Roumanians form only a relative majority in the newly acquired districts which, separated by a mountain wall from Roumania, gravitate both geographically and economically towards Hungary, while Jugo-Slavia is faced not only by the problem of Croat separatism, but by

the need for exporting food products, and importing industrial commodities.

Dr. Schlesinger points out that although a Danubian Confederation is in the interests of all the Danubian States, it will not come into existence unless actively promoted by the Allies. Of this there is at present no sign. All that has been done is to veto union between Austria and Germany. But, says the Doctor, the alternative the Allies are confronted with is not an isolated Austria, and an isolated Hungary, but an Austria closely united with Germany, and a Hungary looking to Germany for support. Isolation means ruin, and no matter what the treaty provisions, union with Germany must come, unless some better alternative like the suggested Confederation is brought into being.

Allied policy has been determined by the consideration that the union of 6,000,000 persons with Germany would be contrary to the interests first of France, and, secondarily, of Britain and the U.S.A. Less notice has been taken of the danger that, with the return of order in Hungary, Germany will receive the support of 9,000,000 Hungarians, and a sphere of interest extending to the Balkans. This would once more allow Germany to take up her eastern policy, a danger which could only be prevented by a Danubian Confederation and a consolidation of the relations between Roumania and Jugo-Slavia.

Moreover, the Confederation is to the interest of all those among the Allies who do not wish the territories of the former Monarchy to become once more the breeding ground of disturbance, which endangers the peace of the world.

SIR AUCKLAND GEDDES: STATESMAN— PROFESSOR.

Mr. Frank Dilnot writes most sympathetically in *The American Review of Reviews* about Sir Auckland Geddes, formerly Professor in McGill University, Montreal, who, during the war, was called upon to organise the man power of Great Britain, and is at present exercising powers, as President of the Board of Trade, unheard of in the department before he took control.

To guide the British people safely through the present chaos is the task laid on Sir Auckland Geddes. He is doing amazingly well in the presence of complications and obstacles which no statesman has ever before

had to encounter in peace-time. In other words, he is a phenomenon. I have a pretty good knowledge of English public life, and I am confident that within five years, if Sir Auckland liked to continue his devotion to public work, he could be Prime Minister. But I can state definitely that in spite of the inevitable inducements, Sir Auckland intends to change from this new life back into the old one. He will return to McGill University, not as a professor, but as Principal, the University authorities having appointed him to that post during his absence on war work in Europe. It is breaking no confidence to state that Sir Auckland Geddes feels he can do wider, deeper, and more permanent work for the common good as the chief director of a great university, forming

the minds and moods of educated young men in a new continent, than in carrying out the executive and legislative functions of the moment in the government of a great country like Britain.

Had it not been for the war, Geddes would have been known in educational circles as a clever specialist in certain branches of psychology, and as an accomplished student in sociology, but the outside world would have heard nothing about him at all.

His swift grasp, his iron will, his stupendous capacity for work and responsibility, his sweeping vision, and—marvellous to relate—the irradiating sunniness of the man through it all, these things in the wider sense would have been lost, unrecognised. It just so happens, however, that at the age of forty his name has become one of national eminence. More even than that, because other countries besides his own are watching his actions and dwelling on his words, for his policies have their effect across the oceans.

Mr. Dilnot gives the following brief description of Sir Auckland's career:

The Geddes are a very old Scottish family. Auckland Geddes, father of the present bearer of the name, was a railway engineer, and from the middle of last century onward was engaged in one of the biggest undertakings in India. He had three children, each of whom was fated to attract notice, two boys and one girl, the latter now Mrs. Chalmers Watson, who has done much public work. She and her brother Eric (the latter also a Cabinet Minister) were born in India; but young Auckland's birthplace was the pleasant suburb of Hampstead in the north of London. At six years of age he went to Edinburgh to school, and from that time onward through his formative years up to manhood he was associated with the Scottish capital, gaining distinction in the university there. In his college career he was drawn specially to the study of physiology. Probing deep into the special subjects he was more or less an expert, in his early twenties in recondite sciences, such as biology, anthropology, and embryology. When now you meet this very human, vivacious, and virile man, it is a little hard to realise that he was once the winner of a gold medal for a treatise on special physiological growths.

It should be added, therefore, that he was pretty much like every other healthy and active university student in his likes and dislikes and social inclinations. He revelled in outdoor life, and was a star at football, representing his university in the Rugby game. He sang a good rollicking song, too. He was just a human, popular fellow. The other side of him was his remarkable avidity of mind. He did not seek distinction; he sought knowledge. That was one of the curious things about this young student. To master a subject was to him like taking a refreshing drink. One wonders how he had time for an enthusiastic membership in the Volun-

teers, but at any rate he had and he developed considerable aptitude for military work.

When the Boer War broke out, he enlisted, and although he did not reach South Africa until the closing stages of the struggle, he had time to learn the duties of a soldier thoroughly.

Leaving the army he went back to his studies and finding that special experience was necessary he toured various seats of learning in Germany, Switzerland and Austria. . . . From various educational positions he presently went to Canada as Professor of Anatomy at McGill University. When the news of the war came, he was just starting from Montreal for a holiday in Nova Scotia. He gave up his holiday, and telegraphed an offer of his services to the War Office in London. A few weeks later he received a summons to report to Whitehall. It is safe to say that at this time Auckland Geddes had put behind him his intellectual life as such, and remembered nothing but that he was a trained soldier, likely to be of service to his country.

When he reached England he received a commission in the Northumberland Fusiliers, soon becoming second in command. In France a fall from his horse prevented his returning to the fighting line, but his restless energy led to his being appointed Deputy Assistant Adjutant-General.

As an organiser he was found so effective that when the second Conscription Act was passed by Parliament the War Office brought him home to administer it, and made him a Brigadier-General. Once more he did well, and when the Recruiting Department was transferred from military to civil control, Geddes went with it as its head. He took the position on his own terms, namely, that he should be given entire administration of the man-power of the country, civil and military. He felt that industrial and military effort were interdependent, and that problems were easier of solution in mass than they would have been if tackled separately.

As a Minister of State, he had to have a seat found for him in Parliament, but his professional experience stood him in good stead in that august assembly, and he quickly made good as a debater. Mr. Dilnot gives the following personal description of him:—

A tall, clean-shaven, powerful, able man, with a suggestion in his face of Sherlock Holmes, he had a personality which impressed itself on all who saw and heard him. A little nervous at his own surroundings at the start, he grew rapidly at home on the Treasury Bench. Not perhaps quite so agile in

words as the old parliamentarian, he was frequently more convincing by reason of his very directness. Only a man of the strongest nerves as well as of physique could have stood, week after week, month after month, the effect of the harassment not only of his

department administration, but also of the daily badgering in the Commons.

Sir Auckland knows America very well indeed, and has special interest in the country, having met his wife there.

WHAT THE GERMANS ARE SAYING.

Although, for some inscrutable reason, German magazines and newspapers have been prohibited entry into Australia, they now circulate freely everywhere else in the world. One hardly imagined that journals written in German would have been so particularly obnoxious to Australians who, with very rare exceptions, are quite ignorant of the language! Owing to this prohibition it is impossible for me to review the German magazines here. I have, however, arranged to have these done for STEAD'S in London, where, as already mentioned, it is not deemed necessary to prohibit their circulation. The following summary of the contents of some of the more important journals published in Germany, reviews those which appeared in November. They are of particular interest, as November being the anniversary of the setting up of the Republic, they contain many articles dealing with the happenings in the twelve months which have passed since the abdication of the Kaiser.

The Preussische Jahrbucher, which, it should be noted, is about to pass into the control of Dr. Walther Schotte from that of Professor Hans Delbruck, has an article by the latter on "Tirpitz's Reminiscences," which he parallels with the Memoirs of Ludendorff, comparing the two German leaders as follows:—

Ludendorff is a completely unpolitical character. Tirpitz has something of the politician about him, but when one reads his peace-programme, this shifting backwards and forwards of provinces, this bargaining with concessions, which are on the one hand impracticable, and on the other unsatisfactory, the General's plan seems more possible than that of the Admiral. They were both agreed in bestowing on Germany several further millions of Polish citizens, and pushing our borders nearly to Warsaw, but Ludendorff wanted his strip of territory for strategic defence, and this is his sole intention; Tirpitz, on the other hand, built up a whole system of partition of territory, the only disadvantage of which is that it is equally unacceptable to all the parties concerned.

From which and from the detailed comparison which follows it may be deduced that, in Delbruck's opinion, Ludendorff was less ingenious than Tirpitz, but wiser. The personality of Hindenburg, the third of the militarist trio, is dealt with in an article in the Democratic organ, *Das Demokratische Deutschland*, the conclusion of which hints at an interesting possibility:

Hindenburg stands too high to be brought down into the plains of political strife. To wish to believe of the next elections to the presidency of the Republic that they will be carried through without party political controversy is to look at the present political situation of our country with the eyes of a child in the well-known picture, which represents it as on a mountain top, and as having "fallen from heaven." The resolve to propose Hindenburg for the next presidential election has in the first place the purpose of making a good impression on the millions of Hindenburg's admirers to the advantage of the party. It is, we declare, a piece of window display. Should not the much-respected man, who bears for the German nation an historical name, be too good for such things?

It was natural that a prominent feature of all the political reviews of the month should be an article on the anniversary of the Revolution, considered from the point of view of the particular party whose views the periodical championed. One of the most important and noteworthy of these articles was a reprint of a speech of the Democratic Minister Schiffer, who recently joined the Government. In view of the authoritative expression he gave to the opinion of his party it is worth glancing at several of the points of his utterance. He said, among other things:—

The Revolution was not the victory of one party. It is significant that the leader of the Majority Social Democratic Party, Deputy Loebe, confirmed this view when he said: "The old Imperial Government broke in pieces like a tree which had decayed. The Revolution of November 9th was not brought about by one organisation; all that was necessary was for one to withdraw support." Social Democracy did not want the Revolution, as President Winnig recently testified.

It desired to see things develop more calmly, within the limits of organic evolution.

The Imperialist Social Democratic view of the state of Germany twelve months after the Revolution was not optimistic. In *Die Glocke* Ernst Heilmann thus characterises the situation:—

At present we are farther than ever from feeling ourselves to be one people. Herr Henke (an Independent) in the Reichstag boasts that his speeches are made for the purpose of denouncing Germany to the Entente, and Count Reventlow proves to the Entente that they have the greatest interest in bringing into existence a government better able to maintain order than the present. But it is precisely on account of their anti-national struggle against democracy that the extremists on both the Left and the Right are quite impossible at present as bearers of the German national state-idea. . . . Germany can only live as a democracy, borne on the shoulders of the broad masses of the population, in town and country. That is the meaning of the present coalition.

Particular attention to economic facts is noticeable in several of the German reviews. In his survey of the year since the Revolution, published in the Nationalist Social Democratic organ, *Sozialistische Monatshefte*, Dr. Ludwig Quessel pays special attention to the economic consequences of the Revolution. He finds that it has led to an extraordinary decrease in national industry and capacity for work. He takes as an example the statistics of coal production. In peacetime the average production was 190,000,000 tons; in the year under a revolutionary regime the production has been 70,000,000 tons, and although a drop in productivity must have come, for Lüdendorff, as Dr. Quessel says, in his last

offensives did not spare the miners, yet this disappearance of many coal-workers is not sufficient to account for the exceptionally large decrease. He finds a serious decline of moral determination, a disinclination to work. "The cry that Socialism meant work for the community has been left unheard in the coal-fields." And frank words like these, from a Social Democrat, it should be repeated, were contained in a manifesto, signed and issued on the occasion of the metal-workers' strike, by the members of the Government. It was headed, "Work or Starve," and appeared in the majority of the German daily papers. Evidently the leaders of Germany's democracy are under no illusions, and it is difficult to believe that their attitude and firm declarations can fail to produce the desired effect.

On the subject of manual work it may be mentioned that interesting statistics as to the present position of the Christian Trade Unions were published in the *Sozialistische Monatshefte*. At the end of 1918, the latest date for which figures are available, the number of members was 538,559, as against 243,865 in the year 1917. The total income of the 28 different organisations amounted to 8,725,078 marks. Two organisations had over 100,000 members, the miners, with 140,601, and the metal-workers, with 135,336. The extraordinary growth of this particular trade union organisation, which, being Christian, is largely opposed on principle to Social Democracy, is worth noting for its possible political consequences, in the event of a new election.

THE MENACE OF JINGOISM.

CONTRIBUTED FROM WEST AUSTRALIA.

There was a time—not so many years ago—when there was little guile in our hearts towards our neighbours; when we believed, or professed to believe, in the blessings of good-fellowship among nations; when we pitied Continental Europe for its curse of militarism; when ninety-nine per cent. of sane Australians regarded all the clap-trap and hidden misery of that militarism as a fearful waste of good men and money, and the surest way to get into war.

Very many Australians still hold fast to those views. In spite of the shock to their faith by the Great War, they feel that it is impossible just yet to perceive truly causes and consequences; and they are loath to forsake the straight, sunlit highway of tolerance for the tortuous, dark paths of suspicion and hate. In that they are wise. Some day the nation may have cause to be grateful to these upholders of Australia's traditional creed. Unfortunately, they are no

longer ninety-nine per cent. Unfortunately, the war has embittered and misled and converted a good few in our midst. Because others have intrigued they conclude that it is necessary in this world to intrigue. If many an Australian could behold in a mirror his mental self of six years ago, he would not recognise it as his likeness. Thus do we change under the influence of stirring events. Thus has jingoism found a loophole in the last place on earth where it might be expected to flourish.

Jingoism has obtained a foothold in Australia. It is being insidiously foisted upon the people. The great temptation has come, and our jingos are making the best of it. There are jingos by temperament, and jingos by profession. Few Australians are jingos by temperament. The vast spaces of this country, and the spirit of liberty that wafts over them, had kept the Australian character free from the taint of jingoism, till the fog of war provided a prolific medium for its germs. The professional jingos, they who live and prosper by keeping the nations apart, have seen their opportunity, and are not slow to use it.

There is the large, new officer-caste who, having tasted the sweets of authority, well-paid, easy work, and the fascination of bright leather and spurs, are quite naturally averse to resuming the comparative obscurity of a hum-drum civilian existence, and drab civilian attire. There are the politicians, and would-be politicians who play, for their own ends, on the inevitable wave of patriotism after a great victory. The military and naval officers would like Australia to perpetuate large, armed forces on land and sea, with themselves in permanent command and perquisites. The politicians and heads of Government offices dream of large departments at the Federal capital, devoted to the preparation of the prospective next war, and affording the requisite number of fat sinecures. They well know that Australia, in its normal, sober frame of mind, is not likely to consent to the no end of extravagance and waste inseparable from militarism. But they also perceive that Australia has not yet quite regained its normal frame of mind in international matters. It is vital for their

ambitions that our international outlook should stay warped; our suspicions remain roused. Only a thoroughly distrustful Australia will tolerate the prolonged rattling of sabres, the continual flouting of its armed prowess in its neighbours' faces. Ergo suspicious and surly Australia is to remain by all means.

That train of logic may go far to explain certain otherwise inexplicable curiously improbable and often crudely contradictory pieces of intelligence with which we have been regaled of late. One remembers the alarming revelations about the secret, hidden armies in Germany; the gloomy forecasts regarding the enormous forces which the same power was supposed to be training in Russia; the persistent allegations of Bolshevik atrocities, one after the other of which were afterwards found to be untrue. To the sane observer of recent history all this disturbing news appeared clearly as what it has long since proved to be—so much mischievous nonsense. These misleading reports may have been nothing more than the canards of unscrupulous sensation-mongers. More likely they were carefully planned moves in the great game of turning the present wave of reasonable patriotism into aggressive patriotism, such as the French call chauvinism, and the English jingoism.

Because patriotism is a virtue universally and rightly praised, its metamorphosis from the reasonable, entirely beneficent, stage, to the aggressive, very objectionable, stage, is so easy and imperceptible. In practice, it is only a step from the intensive pride of achievement and love of country, which is now surging through the Empire, to that extravagant gospel of imperialism, which must inevitably develop into militarism and aggression. From that national policy of arrogance and pugnacity may Heaven preserve Australia. That way lies internal strife and external catastrophe. Jingoism always means militarism; and militarism sooner or later always means war. Australia does not want another war. It has had enough of war. If it comes upon us again, in spite of our fervent wish for peace, and our resolve to keep it, we shall bow to Fate, and know how to play our part. But as surely

as the sun rises every morning in the East, the nation which despises and threatens others, with its sword always ready to fly out of the scabbard—that nation will be humbled by the sword.

If swollen heads and an excessive faith in our strong arm mislead us into treating one foreign nation after another with disdain; if we but regard them so, without showing our contempt; if we threaten Germany to-day, and suspect Japan to-morrow, we shall assuredly make a host of enemies. And nobody, not even we in our present, fortunate position, can afford to needlessly make enemies. Like an evil fever, jingoism produces jingoism. Enemies outside, and discord inside. For jingoism shares also this with an evil fever that it sours the temper, and diverts the ambition of men from their higher aims to petty intrigue and jealousy. We cannot be arrogant towards Teutons, Japanese and Russians, and half the rest of the world, and remain amicable, unassuming fellow-citizens in our own camp. Jingos frequently fall out among themselves. That is the little safeguard Providence has put in for the protection of the world. But look at it which ever way you will, the whole thing is utterly bad, futile, damnable on practical and moral grounds, and totally unworthy of Australian ideals.

Jingoism and its concomitant, militarism, warp the judgment of the best of men; in their false light reckless bravado becomes heroism, and dignified restraint an object for ridicule. Take the recent exploits of the Italian adventurer, d'Annunzio. With its sound judgment unimpaired, Australian public opinion would have certainly denounced them as what they undoubtedly were—flagrant breaches of international law, the specific terms of the Peace Treaty, in fact, nothing else but impudent brigandage. However, as d'Annunzio happened to be a colonel, as his supporters also wear uniform, and are drawn from the Italian army, and as the whole robbery was sanctified by the blessings of the rabid Italian chauvinists, our own jingos immediately proceeded to applaud the robber for his pluck and alleged patriotism.

Jingoism is always preached and fanned in the name of patriotism. That is where the danger lies, particularly at the present juncture. Let us remember that an excess of any virtue becomes always a vice. Patriotism in moderation is a most excellent thing; patriotism to the excess of arrogance and bluster is about the most abominable habit any nation can acquire.

It goes without saying that ample military and diplomatic measures for the defence of the nation are not by any means jingoism. To train its manhood under arms, or even to maintain a standing army in times of great danger, is under present conditions the duty of every country that would keep aggressors at bay. But defence must not change into defiance. During his recent election campaign in Western Australia, Senator Pearce hinted repeatedly at impending reforms in the system of Australia's defences. Now that his party is home and dry, we may expect to hear more about these reforms before long. That they can only be in the direction of heavier armaments, is beyond doubt. It is possible that the international situation demands the strengthening of our army and navy. In that case no Australian will grudge the additional burden on pocket and manhood. But we shall be wise to insist on ample justification for every such reform, lest militarism, and not necessity, force it upon us.

Militarism is an insidious growth, with beginnings so gentle and innocuous-looking, that it is hardly noticed before it has a strangle-hold on a people. And nowhere do the roots of that deadly plant spread so quickly as in the congenial soil of jingoism. The two nearly always go together. If we would avoid militarism, we had better eschew jingoism. German militarism will have triumphed after all if, in subduing it, we ourselves should become converts to jingoism.

Let us be patriotic by all means; loyal, whole-hearted, enthusiastic believers in the mission of the British Empire. But let us beware of the pitfall of jingoism, the exaggeration of which makes a great virtue into a pestilential vice.

M.R.

THE CENSOR AND I.—By HENRY STEAD.

VIII.—The Suppression of "Stead's War Facts."

In March, 1918, I published STEAD'S WAR FACTS, which contained much of the information given during the war in the "Catechism" in STEAD'S. This was supplemented with maps, and a few special articles, a complete Diary of the War being also added. The postal regulations permit of the sending through the post of books printed and published in Australia at a special rate, viz., a half-penny for eight ounces. STEAD'S WAR FACTS, however, was not a book in the eyes of the Postmaster-General, despite the fact that it had every appearance of one, and a higher rate of postage was demanded. When I protested against this, I was informed by Mr. Webster that as there was a Diary in it, it could not be regarded as a book.

Obviously enough "Diary" as mentioned in the postal regulation meant a calendar with blank spaces for memoranda, not a chronological diary of events, but, of course, nothing more could be done in the matter. Thus early did STEAD'S WAR FACTS encounter trouble. This regulation naturally did not affect the sale at all, which was quite good, and was steadily maintained for several months.

Then, without communicating with me in any way whatever, the Defence authorities suddenly put the book on the list of prohibited publications. I did not see the notice in *The Commonwealth Gazette* until the following day, when I at once went to Parliament House to get some questions asked about it. I was agreeably surprised to find that both in the Senate and in the House of Representatives friends of mine had already asked for information in the matter, which information could not, however, be given, as none of the Ministers knew anything at all about the suppression of the book. Some, indeed, who had found it useful, were exceedingly astonished to learn that it had been put on the list. Later the information was given that action had been taken "at the request of a British Ambassador abroad." Still, I had no word from the Department, and

the Censor told me he knew nothing at all about it. A week later, in reply to letters of mine, I at last received instructions as to what to do with the copies I had on hand. Had I not happened to see the notice in *The Gazette*, I would have gone on selling, and would thus have rendered myself liable to all sorts of penalties.

Possibly the Defence authorities intentionally refrained from communicating with me, hoping to catch me tripping as they did no end of unfortunate aliens in the matter of letters to Germany. It is worth recalling that circumstance, as it throws an interesting light on the methods of those in authority when dealing with aliens. During the early part of the war letters might be sent to relatives in enemy countries in the care of neutral persons providing it was clearly stated on the envelope that the letter enclosed was to be sent on to an enemy country. That method was officially approved, and was adopted by those who had relatives in Germany and Austria. A new regulation was later adopted, which stated that the full address of the person to whom the letter was ultimately to go must also be given. Unaware of this alteration, many people continued to send letters as before, and were promptly punished for their failure to hear about the new regulation! In some cases the fine was as much as £25, and the minimum cost to the unfortunate writer of the letter was £6.

As the suppression of STEAD'S WAR FACTS was due to quite different causes than was the suppression of other books, the following correspondence on the subject has considerable interest. It also explains the position, and shows that, in order to escape, having to make compensation for loss I suffered—owing to a mistake being made between two distinct books which were assumed to be the same—the Department was constrained to find a different reason for the suppression than that it had at first given. Of course, there can be no doubt that I am fully entitled to compensation

for the mistake which was made, but I don't see myself getting it.

The first letter was addressed to Senator Pearce as follows:—

18th October, 1918.

Dear Sir,—

In the *Commonwealth Gazette*, dated Thursday, October 17th, I find a notice to the effect that you have declared STEAD'S WAR FACTS a prohibited publication. I should be much obliged if you could inform me why this was done. I notice that your declaration is dated 10th October, 1918, just a week ago, but even yet I have had no communication whatever from the Defence Department or from the Censor in the matter.

Not knowing anything whatever about this prohibition, which apparently came into force seven days ago, I have continued to dispose of copies. Now, of course, I have withdrawn the book from sale, and await some instructions in the matter.

I would point out that all proofs of this book were submitted to the Censor, and were duly passed by him. Not only so, but as this volume is merely a reprint, the same information had been passed by the Censor prior to its appearance in STEAD'S REVIEW, so that it has been twice approved by your official representative at the Censor's office.

The volume was published in March last, and, at the request of the public libraries, copies were sent to them. I also sent copies to the Governor-General, the Governors of the different States, and other distinguished friends, who expressed themselves as very pleased with the publication, which they found exceedingly interesting.

I invariably carry out the Censor's instructions, a fact of which you must be fully aware, and I am somewhat amazed that no intimation whatever was given me before this declaration was made. It suggests that I have not conformed with some of your regulations, and that is particularly annoying to me. I would never have dreamt of going to the expense of purchasing the paper, setting up, and printing such a volume, had I not had your official approval thereof, through the Censor.

There has been a steady sale during the last six months, and orders are constant. I have a goodly number of sheets left which, had this prohibition not been announced, would have been bound up and sold before Christmas. These sheets represent about £200. If they are to be destroyed, I should be glad to know, in view of your previous approval, who is going to bear this loss?

Yours faithfully,

HENRY STEAD.

After a week's delay, I received the following letter from Mr. Trumble, the Secretary of the Department:—

No. 98,159.

24th October, 1918.

In reply to your letter of 18th October, you are informed that STEAD'S WAR FACTS has been declared to be a prohibited publication, because of a complaint received from a British Ambassador abroad of its dangerous tendency.

The prohibition takes effect from the date of notification in *The Gazette*.

You are required to destroy all sheets of this publication now in your possession, and you are not entitled to any compensation.

In my answer, I made a very reasonable suggestion:—

28th October, 1918.

I am glad to have some communication from you in regard to the prohibition of the publication of STEAD'S WAR FACTS, as I was in considerable doubt as to what I ought to do in the matter. As I explained in my letter of October 18th, I at once stopped the sale.

I presume that the Department has been informed which particular portion of the text of the book has been taken exception to by the Allied Government. Would it not be possible for me to cut out this section from the sheets and replace it with something else, instead of destroying the whole of the sheets, to the majority of which presumably no exception is taken?

Mr. Trumble's answer seemed to make further protest useless. It ran:—

1st November, 1918.

No. 101,988.

With reference to your letter of 28th October, relative to the prohibition of the publication of STEAD'S WAR FACTS, I have to inform you that it is the whole publication that is objected to, and the suggestion made by you for cutting out sections from the sheets is not approved.

Meanwhile I learned that the Department intended sending officers to make the discovery that I was in illegal possession of a prohibited publication. I upset this little scheme by sending the books down to Victoria Barracks with the accompanying note:—

6th November, 1918.

Your letter, No. 101,988, though dated November 1st, only reached me by post this morning.

I note that my suggestion with regard to cutting out certain sections from the sheets of the publication, STEAD'S WAR FACTS, is not approved. I regret this very much, because, as already pointed out in previous letters, any profit on the sale of this publication would come from the last few hundred copies sold.

As pointed out in my original letter to the Minister, as soon as I was aware of the notice in *The Gazette* I stopped the sale of this book. In view of the heavy cost of production and the high price of paper, I hope that you will agree to allow the sheets to remain undestroyed until after the war is over. I might then possibly be able to make some use of them and recoup myself for the outlay on the book, which would never have been published had it not received the official approval of your Department.

Pending word from you in this matter, in order to conform with your suggestion with regard to the destruction of the sheets, I am

(Continued on page 229.)

Catechism on Current Events.

Q.—Was the Tsar's Government heavily in debt to Britain?

A.—The borrowings of the Tsar's Government from Britain have left an outstanding liability of £568,000,000.

Q.—Is Paderewski a Jew?

A.—No. He is a Pole, not a Jew. His activities, charitable and political, have been devoted to the Polish nation, not to the Jews.

Q.—Can a person of German birth be naturalised at the present time?

A.—Only under exceptional circumstances. Application should be made to the Home and Territories Department.

Q.—If the wife of a naturalised alien has not herself been naturalised, has she any civic rights?

A.—Yes. She acquires the nationality of her husband.

Q.—When will it be possible to take out an effective world-wide patent?

A.—Presumably not until Peace has been ratified in all countries.

Q.—Does the prohibition of Turkish immigration into Australia apply to Armenians, Palestinians and other late subjects of Turkey?

A.—Yes; unless the Federal Government decides that these are cases deserving of exceptional treatment.

Q.—What is the origin of the word Dago?

A.—It is a sailors' nickname for Italians, Spaniards and Portuguese. The name is supposed to be a corruption of the common Spanish name, Diego (James). In the United States, "Dago," generally means an Italian labourer. In Australasia the term is often applied to any foreigner.

Q.—Is the Japanese Government successful in its policy of suppressing labour unionism?

A.—A recent number of *The Japan Chronicle* states that, in spite of the Government's prohibition, the organisation of unions is proceeding rapidly. There have been many big strikes. Shipping and dockyard workers, engineers and metal workers, and printers have been out for considerable periods.

Q.—Is the Persian oil venture of the British Government proving profitable?

A.—Exceedingly. For the year ended March, 1919, there was a clear profit of £2,010,805. In 1916 the profit was only £135,036. The British Government has a controlling interest in the concern. The capital invested was £7,400,000, so that the profit was at the rate of 27 per cent. Recently the capital has been increased to £20,000,000, and the Government has taken its full proportion of the new shares.

Q.—Is Australia forbidden to fortify the islands placed under her rule by mandate of the League of Nations?

A.—The restrictions upon Australia are the same as upon Japan and other mandatory Governments. Article III. of the model mandate adopted by the Allies' Council reads: "The military training of the natives, otherwise than for purposes of internal police and the local defence of the territory, shall be prohibited. Furthermore, no military or naval bases shall be established, or fortifications erected to the territory."

Q.—Is forced labour to be permitted in the islands held under mandates?

A.—Forced labour is permitted for "essential public works and services," provided that "adequate remuneration" is paid. Thus the mandatory Government is given very wide powers to compel unwilling natives to work on roads, bridges, railways, etc. The term "forced labour," does not apply to indenture, upon which there are no restrictions under the mandates.

Q.—Has America advanced great sums to Allies since the Armistice?

A.—Up to June last she made very heavy advances, but since then, according to the report of a London bank, her credits have virtually ceased. To this cause the bank assigns the depreciation of the currencies of importing countries. Between April, 1917, and June, 1919, America granted the Allies credits to the total of £1,819,000,000, and sent them goods worth £1,725,000,000. Mr. Glass, United States Treasurer, states that her

advances to various European countries since the Armistice amount to £800,000,000.

Q.—Are there many ex-service men unemployed in Britain?

A.—Field-Marshal Haig stated the number on Armistice Day as about 400,000, including 20,000 ex-officers. These were the numbers actually on the Government registers as requiring employment. Doubtless there were others besides. Sir Douglas Haig appealed to employers to try to employ these ex-service men. He made a special appeal on behalf of men partly disabled. Over 5000 employers had agreed to have at least 5 per cent. of their staffs composed of such men, but he asked that many more should make similar provision.

Q.—How is it that Lord Astor could not retain his seat in the Commons, whilst Lord Robert Cecil is a member of that House?

A.—Lord Robert Cecil and his brother, Lord Hugh, are sons of the late Marquis of Salisbury, and the younger sons of Marquises are given the courtesy title of Lord, but have not the right to sit in the House of Lords. Major Astor was the son of the well-known American millionaire, William Waldorf Astor, who became a naturalised Englishman, and was elevated to the Peerage as Viscount Astor. As his eldest son, Major Astor succeeded to the title, and cannot divest himself of it.

Q.—Was the lottery loan proposal accepted by the British Parliament?

A.—No. The scheme was strongly advocated, especially by the Northcliffe papers, and by Mr. Horatio Bottomley. The Government was believed to favour it. But when Mr. Bottomley asked the House of Commons to approve the scheme, he was opposed by the Chancellor of the Exchequer, Mr. Austen Chamberlain, primarily because of the strong feeling in the country against the lottery. Protests had been raised by leading financiers, as well as by Labour organisations, Liberal papers, and the churches. The House rejected the proposal by 276 votes to 84.

Q.—What is the nationality of King George and Queen Mary?

A.—They are, of course, British, and both were born in Britain. King George

is mainly of continental extraction, his mother, Queen Alexandra having been a Danish princess, while his paternal grandfather, the Prince Consort, was Albert of Saxe-Coburg and Gotha, and his grandmother, Queen Victoria, was the daughter of a German princess, and granddaughter, on her father's side, of George III. Queen Mary, who was born at Kensington Palace in 1867, was daughter of the Duke of Teck (Germany), and her mother was a granddaughter of George III.

Q.—Were the German Churches in Brazil closed during the war?

A.—When Brazil declared war against Germany, the Lutheran schools appear to have been closed, and public worship in German was prohibited. Young theologians who had been trained in the United States for work in Brazil were not allowed to enter that country, although no restrictions whatever were placed on their training in America. Presumably the whole question of German migration, and the position of German nationals in Brazil, will have to be determined by the Brazilian Government in the near future. The matter is somewhat complicated owing to the fact that great numbers of German settlers dwell in the provinces of Sao Paulo and Rio Grande do Sul.

Q.—What is the cost of collecting the Commonwealth income tax?

A.—A very rough estimate would be £225,000. The Financial Statement does not include separate accounts of the cost of the various taxes, but, if we estimate that the income tax collection is responsible for two-thirds of the expenses of the Taxation office, and one-third of the expenses of the Treasury for staff work, printing, etc., we get approximately the above figure. It is notable that the total of salaries in the Taxation Office has nearly trebled in the past three years, thus: 1917-18, £77,806; 1918-19, £107,998; 1919-20 (estimate), £193,315. The revenue from income tax in these three years has been: £7,385,514; £10,376,382; and £10,500,000 (estimated).

Q.—What is Mr. Lloyd George's attitude to the Channel Tunnel scheme?

A.—In reply to a deputation which recently waited on him, to urge the build-

ing of the tunnel, Mr. George said:—
“We should like our military and naval advisers to examine a little more definitely what are the dangers of a surprise attack. We dare not take risks.” Brigadier-General Surtees, a member of the deputation, said that, in case of danger, the tunnel could be flooded, or blown up by the touching of a button, but the Prime Minister said the Government would not undertake the responsibility without further inquiry by military men. Sir Arthur Fell, chairman of the Channel Tunnel Committee, said: “It is depressing to be told that you are still going to inquire into the subject after all these years.”

Q.—Germany's rapid progress in agricultural production was largely due to the use of nitrogen products. Can she obtain these now?

A.—Germany is in a better position than ever in this regard. During the war her Government invested several hundred millions of marks in new nitrogen works, and the country is now able to produce about 500,000 metric tons of nitrogen annually, while the domestic consumption is estimated at 225,000 tons only. Prior to the war Germany had been importing about one-half of the amount needed in the form of Chile saltpetre. The imports of saltpetre averaged 750,000 tons, representing 116,000 tons of nitrogen. Now Germany should have large quantities of nitrogen products for exportation.

Q.—Were the methods used to suppress the recent risings in India unjustifiably brutal?

A.—The slaughter of about 300 people at Amritsar is by far the worst instance. In some other cases also the policy of “frightfulness” was followed. For instance, Colonel Macrae admitted to the investigating committee that he had had “some six” school-boys publicly flogged, without any evidence of their guilt. He “understood” that some school-boys had taken part in a riot at Kasur; so he picked some of the biggest at random, and had them whipped, in the presence of others. So also the people on whose houses anti-riot notices were published were warned that, if any damage were done to the notices, they would be

severely punished, regardless of their guilt or innocence.

Q.—Is it true that the sale of vodka as a State monopoly has been resumed in Russia under the Bolsheviks?

A.—A report to that effect has been published throughout the world. A denial was published in New York in these words: “No alcoholic liquors are manufactured in Soviet Russia, or have been manufactured since the establishment of the Soviet rule, except illicit manufacture, which is sternly prosecuted by the Soviet Government. Not a single cent of taxes on manufacture of liquors has been paid into the Soviet treasury. The only territory in Russia where alcoholic drinks are manufactured is the territory controlled by Admiral Koltchak, to whom the ‘civilised world’ is now extending support.” This statement is signed, “S. Nuorteva.” We do not know with what authority he speaks. British papers, however, confirmed his report as to the revival of the vodka traffic in the territory controlled by Koltchak.

Q.—Is the employment of Asiatic crews on British ships checked by the Aliens Act, recently passed by the British Parliament?

A.—No. The matter was keenly discussed in the debate on the Bill. It was decided not only to permit the employment of Asiatics, whether born under the British flag or not, but also to continue the specially low wage rates allowed on Eastern shipping on account of the employment of Asiatics. A strong protest was made by Mr. Havelock Wilson, who is secretary of the Seamen's Union. “We want no class or race excluded from employment on British ships,” he explained, “but we say that aliens should not be brought in at rates of pay that lower the standard of living. Pay them a living wage instead of a sweated one, and then you need not interfere with the mobility of labour.” He called for a division on the question. The result was a vote of 221 to 53 in favour of allowing the ship-owners to continue the low wages to Asiatics.

Q.—Was Mr. Lloyd George responsible for the phrase, “War to end war,” in connection with the European conflict?

A.—Probably no statesman used this expression so frequently as the British Prime Minister. He spoke of the “war

to end war," one hundred and seventeen times in public utterances, according to Mr. Philip Snowden.

Q.—Please give particulars of recent accessions to the British peerage from the ranks of traders.

A.—The following is an incomplete list of the traders and manufacturers appointed to the peerage between December 6th, 1916, and June 1st, 1919:—Viscount Cowdray was one of the Pearson family of wholesale grocers and oil financiers. Viscount Devonport was Sir H. Kearley, tea trader; Viscount Northcliffe and his brother, Viscount Rothermere, may be called commercial men, being great newspaper proprietors. Viscount Rhondda was financially interested in coal, shipping, patent medicines and printing. Baron Colwyn was Mr. F. H. Smith, a director of rubber, cotton, coal and banking concerns. Baron Doverdale was a paper manufacturer and banker. Two of the Dewar family of whisky distillers became barons, one in his own name, and the other as Baron Forteviot. Baron Leverhulme was the great soap-manufacturer of Port Sunlight and promoter of a world-wide combine for chemical works. Baron Atholstan was Hugh Graham, Canadian newspaper owner. Baron Cawley was interested in bleaching mills; Baron Glanely (W. J. Tatem) in ships; Baron Glenarthur (M. Arthur) in coal and iron. Among the 55 appointments made in the time named very many were given to lawyers and politicians, and a comparatively large number to the sons of the hereditary nobility and soldier families. Up to the middle of last year the only one of the naval and military men distinguished in the late war who had been raised to the peerage was Viscount Jellicoe, though several others have since received the royal favour.

Q.—Is it likely that poor German and Austrian workers in Australia will be deprived of their small savings under the Peace Treaty?

A.—It is not at all likely that such small holdings will be interfered with in any way; even if they were taken in order to meet debts owed to Australians by Germans, the German Government has undertaken to provide compensation. The Australian Government has not announced the details of its policy,

but it is expected that the property in Australia owned by Germans not now residing here will be liquidated; that the amounts thus obtained will be placed to Germany's credit in the Clearing House; that the total thus obtained will be considerably more than the total that the Clearing House will have to pay out on account of German debts to Australians; that the balance will be credited to Germany as part of her reparation payments. Those Germans whose property is liquidated in this manner will have a claim against the German Government for its value. The Australian Government has allowed departing Germans to take away £50 besides a limited amount of personal luggage. Though this amount is very meagre, it indicates that the Government does not intend to take quite the "utmost farthing" from the poor.

Q.—Are Australians obliged to make a return of any property they own in Germany?

A.—Under the Peace Treaty they are not required to make such a return, though they would naturally give details in case they should have any claim to bring against the German Government in respect of property held in Germany. It may be that the German Government will ask for a return of the kind mentioned, but that is doubtful.

Q.—Is it legal to send money to Germany for investment at present so as to get the benefit of the cheap exchange for the mark?

A.—Remittances of money to German subjects are apparently still forbidden under the War Precautions Act, which remains in force till three months after Peace shall have been proclaimed. (It has not been proclaimed yet.) There may be some doubt as to the correct interpretation of the law, but the authorities consider that the prohibition still applies.

Q.—Is it possible for the Commonwealth authorities to prevent indirect remittances to Germany?

A.—It is palpably easy for anyone wishing to evade the restriction to buy German marks at pleasure through a neutral country. The mark is worth about a penny now, whereas its normal value is a shilling. Investors hope for a rapid rise.



AN AUSTRIAN STATESMAN ON THE WAR.*

Count Czernin has two advantages over the other statesmen and commanders who have published their personal records of the war. He writes remarkably well, and he has no motive to distort the truth. Even in a mediocre and evidently hasty translation it is obvious that he has the gift of clear and vigorous expression, while of the personalities who interested him (the Kaiser, the murdered Archduke, Tisza, and Ludendorff) he can draw living and sharply-outlined portraits. His fault is diffuseness and repetition, but it cannot spoil an eminently readable book.

On the other hand, this book is not a speech from the dock. The main object of Bethmann-Hollweg, Ludendorff, and Tirpitz is to defend themselves before history and their very critical contemporaries. Czernin, however, had no share of the responsibility either for the outbreak or the termination of the war. He was a Minister in a Balkan capital when it began, and he had been dismissed before the bitter end. He belonged to a group which stood in sharp opposition to the war-makers of 1914, and all that he says about the origin of the war reads like the verdict of a detached but exceptionally well-informed observer. A sharp critic of policies with which he disagrees, he is none the less commendably charitable in his verdicts upon men. On Tisza, for example, who was in many ways his antithesis, and in some large matters his chief antagonist, he passes a fine, though discriminating, eulogy. He knew this world from within, knew it as only a man can know a society with which he must struggle daily. It is a valuable corrective to the passions and prejudices of war-time that we should be able to read this estimate of our enemies by a man who re-

tained his personal respect even for the leaders of the German war-party against whom he led an incessant losing battle.

There are no fine shades, no subtleties, and no revelations in Count Czernin's reading of the war. He stands equally far from the propagandist simplifications current on both sides, and the sum and substance of all that he has to say may be summed up in the words — "an inevitable tragedy." Though he had seen the German military party at its worst during his efforts to promote a peace of understanding in 1917, he acquits not only the Chancellor, but the Kaiser also, of any desire to bring about a world war. The bullying, sabre-rattling speeches of the Emperor were, he thinks, inspired by the fatuous calculation that he could thus prevent "the many envious enemies of his Empire" from attacking it. He wanted certainly "a place in the sun," but not world-dominion, and his ideal would have been a division of power with the British Empire. He blundered and stumbled into the war, and no one, so Czernin argues, really had a guilty wish to bring it about, except the Russian military clique under the Grand Duke Nicholas. The German Ambassador Tchirschky, who had a habit of acting for himself, was the chief mischief-maker in Vienna, but even Berchtold, though he committed every possible incompetence, hoped rather for a diplomatic victory than for war. These are impressions rather than close arguments, but they deserve attention, for they come from an honest and deeply pacific mind.

The more important half of the book is occupied with the failure of the many efforts to bring about "a peace of understanding." No one in Europe has a better record in that matter than Count Czernin, and most of what he did or tried to do was done in broad daylight.

*"In the World War." By Count Otto von Czernin. English Translation. (Cassell. 25s.)

His verdict on it all is fatalistic. The war was a torrent, which swept along by its own momentum, when once it was let loose, and no single statesman could have arrested it. On the one hand, Count Czernin is convinced that the *Entente* was immovably resolved, at all events after Messrs. Lloyd George and Clemenceau came to power, to destroy Germany. On the other hand, he is equally sure that nothing could have induced the German military leaders, while they remained in the saddle, to abandon their plans of conquest. Foch and Ludendorff are, he thinks, as "like as two peas." It was this sense which each side had of the stiff will of the other for victory which made any accommodation impossible. As for the Kaiser, he was, from the day war broke out, "the prisoner of his generals."

Count Czernin tells us for the first time quite fully what his own plans were. He believed very ardently in disarmament—but in disarmament all round. He was prepared to pay something in territory for peace, and to make any "endurable" concessions. His scheme was (1) that Germany should cede Alsace-Lorraine to France, (2) that she should find compensation in a Poland linked to her by a "personal union," and (3) that Austria should contribute her share to the general loss by ceding Galicia to a reconstituted Poland. He had dared to propose this solution to the Kaiser, and it was not at once rejected. The Kaiser, for his part, might have accepted it, but in the end he came to the conclusion that the German people would never have tolerated this settlement or forgiven a dynasty which made it. What people in their case, with their armies everywhere "deep in enemy territory," would have seen the wisdom of it?

It is evident that Austria-Hungary, in spite of Count Czernin's incessant and courageous struggles, was never in a position to impose peace upon her ally. There hung over her head throughout the war the doom pronounced upon her in the Pact of London. To give up Trieste and the purely German regions of the Tyrol meant ruin, and these promises to Italy were soon completed by equally fatal concessions to Roumania, Serbia, and

finally to Poland. The *Entente* had resolved on the dismemberment of the Dual Monarchy and, though Count Czernin thinks there were moments when London and Paris regretted their promises to Rome, Italy was never willing to modify her claims. The result was (as some of us saw clearly enough) that Austria was tied fatally and irrevocably to a partner whom she could not move to moderation. She might, Count Czernin argues, have separated herself from Berlin in the last resort, without dishonour, on the ground that the German war aims went much beyond mere defence and the *status quo*. But the result would only have been her own destruction. In the first place, her armies were inextricably mixed with those of Germany on the Eastern Front and their disentanglement would have meant anarchy at the least. Secondly, Berlin would certainly have made war on Vienna. Thirdly (and this is the convincing reason), even had Vienna laid down its arms in a separate peace, the debt to Italy and other minor allies must still have been paid. In short, a separate peace would have been "suicide from the fear of death." Count Czernin recognises two deeds which drove the war to its fatally uncompromising end. One was the German invasion of Belgium. The other was the secret treaty which Mr. Asquith and Sir Edward Grey negotiated with Italy. So long as that treaty and its sequels stood intact and governed the policy of the *Entente*, the war could end only in the absolute victory of one side or the other. As for Mr. Wilson, his efforts in the Count's opinion, were doomed to failure since he gave his unlimited aid to the *Entente* without requiring the revision of these treaties.

Count Czernin, though he writes with a free, descriptive pen even of the Emperors whom he served, is, on the whole, a discreet historian. He tells us little that was not already known. Indeed, almost the only exception is his record of what was, apparently, an attempt by the Tsar's Government to discuss a separate peace on the eve of the revolution. The Tsar abdicated before things had gone beyond the stage of taking soundings. There have been rumours of these overtures before; Count Czernin's disclosure, vague and brief though

it is, is evidently trustworthy, but whether the Tsar himself was involved, or only his ministers, we cannot say, and the Count himself had no information.

Perhaps the most readable chapter in the book is the sketch of the murdered Archduke, who was, of course, Count Czernin's patron in politics. He must have been a man with a warped but powerful mind, who hated more often than he loved. He tended to megalomania in a degree that was scarcely normal if it was still sane. His plans for the reorganisation of the Dual Monarchy on a federal basis were certainly the only means by which it might have been saved. Count Czernin has few illusions about the result even if the Archduke had lived and if the war had been avoided. Austria-Hungary, he thinks, would still have broken up, though by some less ruinous process. The Archduke had the will to force his project, but in spite of his keen political instinct, he lacked tact and geniality, despised popularity, and almost courted enmity. He could never have broken Magyar opposition without a civil war. There

stands out from these pages the almost heroic, if sinister, figure of Count Tisza—adamantine in its strength, unbendingly loyal and courageous, a pure patriot, but with the narrowness of the simple Magyar squire.

For Czernin, who had struggled as hard as any man for a federal Austria-Hungary, the question seemed in the end insoluble. "Austria's watch," he writes, and prints the sentence in italics, "had run down."

The book ends in gloom and without a hint of a constructive proposal. Czernin refuses to believe that the Peace of Versailles and St. Germain can last, but he gives no hint of the steps by which we may struggle towards a more reasonable world. This apostle of sanity and conciliation, who had seen all his efforts frustrated by the incurable violence of allies and enemies alike, has emerged beaten and resourceless from the struggle. A singularly sane and fair-minded book. Nothing has been written by any actor in the war at once so readable, so informing, and so just.

W.H.M.

THE MASK.

The Mask, by Mr. John Cournos, which Messrs. Methuen have recently published (6/- net) is a first novel. It tells the story of a small boy, a Russian-Jew by birth, first of all in Russia and subsequently as an immigrant in America. Its method is what is often spoken of as the Russian method. Its aim, that is to say, is not so much to produce a completed and rounded work of art, as to convey the story of an individual in his struggles with, and reactions from, the world around him. It does not despise loose ends and desultory experiences. Its method is rather that of biography than of the novel as the French, at any rate, understand it. The book is made up of a series of extremely vivid sketches, some of which in themselves are things of real and deep beauty, but the sketches are held together admirably to perform their proper function. And the same is true of the subsidiary characters.

To take one instance: there is a long digression in which the early boyhood of

the hero's stepfather is told. We learn of his life amongst a mystical Jewish sect in Poland, of how he wandered about from one village to another, asking questions in the synagogue, and everywhere being met with kindness and respect because of his interest in holy matters. Yet all this, desultory as it appears to be on the surface, gives more clearly than anything else could do the half-mystical world which influenced the boy's childhood.

The scenes in America are wonderfully drawn. The feelings of this queer little group of aliens settling down in Western civilisation are suggested so vividly that one realises more clearly the real problem of emigration than one has done before. But one's mind again is also full of innumerable little vivid scenes—scenes where one sees the small boy at school, selling newspapers on the streets, getting his first queer glimpses of night life—and through all these scenes the character of the boy is gradually revealing itself.

Acrostic Competitions

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Mrs. E. SLATER, "Inglewood," Tennyson St., Sandringham, Vic. (35 Marks)

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25 to 29.—Primer, Elbee, Notsha, Jonah, Abacus, Trebla, Mares, Warre, Lugh, Echo, Mignon, Diveno, Imaryc, Steady, Leslal, Sorca, Dixie, Negro, Sap, Junkel, Stead, Epping, Efneld, Minkie, Akros, Cooee, Hesket, Tjryan, Yam, Siveb, Pen-see, Gumnut, Mujer, Cretia, Onden, Metal, Yiddah, Bett, Sydkyd, Arbee, Omes, Wattle, Love, Vasco, Betty, Vashti, Maric, Davius, Roegan, Plato, Unit, Batlow, Ramon, Barong, Folia, Moulia, Snare, Terese, Geza, Limrik, Ackney, Barmac, Peanut, Apex, Patt, Pax, Arran, Snooks, Jeebee, Snowy, Edenak, Galba, Nomen, Acro, Kosmos, Sphinx, Anoroc, Verity, Totara, Willow, Rix, Eralc, Fiji, Luck, Bindah, Rhodos, Ellana, Merci, Fagus, Rapsah, Solvol, Emot, Mashey, Garde, Nyria, Mortar, Conor, Nesbit, Eli, Random, Ajax, Artea, Pops, Tamba, Otago, Jordan, Allad, Aosta, Neod, Sugra, Warn.

20 to 24.—Clerk, Coburg, Eureka, Dicto, Homo, Gasjoc, Manly, Shovel, Mercia, Elvira, Jarrah, Topsv, Apollo, Oranom, Spot, Steady, Solva, K.E.P., Rosek, August, Augh, Matoa, Golagh, Matrix, Bolton, Millee, Hibis, Solvo, Letuco, As-If, Petrod, Labor, March, Elgin.

10 to 19.—Elruh, Nutmeg, Broca, Scotty, Radium, El Rey, Moneta, Bruni, Nougat, Kodak, Toby, Judy, Sandot, Eureka, Fresia, Minx, Spero, Motuna, Suffix, Turvey, Andy, Cymro, Candid, Esau, Galley, Active, Weaner, Syntax, Crumbs, Goblin, Merff, Kurada, Laurel, Arty, Learner, Yogi, Ratels, Jallan,

Aurora, Xulon, Elenor, Marban, Penso, Aecton, Maeth, Eknelk, Kumbra, Kelene, Salem, Edawas, Bonus, Ergo, Miniuna, Rex, Clarus, Tulach, Uziah, Hope, Hummel, Tyrone, Pauper, Marie, Master, Skero, Trojan, Lazy, Mater, Cheero, Chip, Alpha, Mitta, Chance, Esmond, Shorty, Dungog, Pynex.

A large number failed to secure more than 9 marks.

SOLUTION OF ACROSTIC No. 6—

Series I.

- (a) P r o f (it)
(b) I d d O
A f t e R
(c) N o T
O n E

NOTES.

- (a) "it" added.
(b) Iddo the Scer (II. Chronicles ix. 29).
(c) "Ton" reversed.

SOLUTION OF ACROSTIC No. 1,

Series II.

- S o W
O R (B)
L u m i (Nous)
(a) V i g i l a n T
(b) E v E
R e a R

NOTES.

- (a) Vigil—Watch (Proverbs vi. 6).
(b) Roman numeral V—5.



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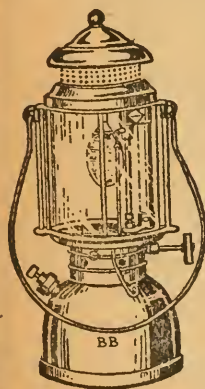
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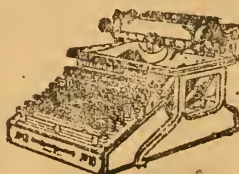
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FINANCIAL NOTES.

While Rome burnt, Nero fiddled. So, while the problems ahead are to keep the State solvent, the community at work, and to have trade financed on a sound basis, the speculator is running a rake's progress on the stock exchanges. Sober-minded people stick to the buying of $4\frac{1}{2}$ per cent. Commonwealth bonds, on account of immunity from taxation. This, to the man with a large income, works into a most respectable per centage return, apart from the interest directly received on the stock. The small buyer goes in for the five per cent. Both would like to pick up State stocks and bonds at low prices, but the market is pretty well as bare of this class of security as was Dame Hubbard's cupboard of bones. Others, like Board of Works stocks, which show a fine interest return of reclamation, if taken into account. New industrial floatations are not so frequent, for most of the business houses have done well, and don't want to be promoted. Still, one deal of importance is the conversion into a company of the wholesale grocery business of Rolfe and Co., of Melbourne. This has been carried through, partly to define interests, and to provide fresh capital for the concern. As the late proprietor made a large fortune out of the business, the shares were over-applied for, although the news of the floatation was kept pretty well among the favoured people connected with the promotion. All steamship interests remained buoyant, despite the hang-up of vessels through the engineers' strike and the consequent loss of earnings of the coastal mercantile marine. Adelaide Steamship shares have had a somewhat dragging market, pending the distribution of the new issue. Investment in the scrip of banking companies has been on a smaller scale, with very little fluctuation in prices. So far, no news to stimulate the buying of Commercial Bank of Australia shares is available. The break-up of the drought in Queensland has been given as the reason why shares of pastoral companies have been so much sought after. While that may be a factor, may not the real reason be the recognition of the fact that the companies will do well

out of Australia's share of the profits made for the industry by the British Government when handling our wool clip in England? These earnings will probably furnish a year's profits to the companies, without any outgo on their part. Elder Smith and Co., of Adelaide, are taking authority to issue 80,000 shares, of £10 each, of which 20,000 shares are to be made available for shareholders. The company has been expanding its business with much energy in Victoria and New South Wales, that no surprise is occasioned at the decision to increase capital. While there has been this run of dealing in securities, the markets have been plunging over mining. Broken Hill scrip has had a full share of attention, but the rush has been after tin shares, especially those of the Badak syndicate, and after the scrip of some of the Hampton Plains gold claims. The base on which the booming has rested has been slender, but in the one case past successes in other tin areas in the Malaya Peninsula and Siam have prepared the way for the tilting of prices upward.

SPECULATION.

Take the rush after Badak shares. A little syndicate was promoted to furnish funds for an Australian prospector to test a property, regarded by him as assuring a good mining chance. Boring proved it to be a duffer. So the original subscription of 200 shares of £10 each had to be supplemented by other issues. On the fresh capital the prospector applied for an area in the Badak Valley, north of Penang, where he carried out boring operations. On the receipt of the news of his sample, the speculation in shares began. Prices went to £125, and then dropped to £25, a fall sufficient to frighten out timid souls. To check up the prospector's work, an Australian, skilled in boring methods, was sent to the property. As he advised that his first check bore substantiated the exceptional results obtained from an original bore sunk close by, by the prospector, scrip jumped from

£80 to £1200 per share. This meant that the company's property, without a pick having been put into it, was valued at nearly £500,000. This valuation was on a sample, obtained from a four-inch bore, sunk in the middle of a 100-acre block, comprising a portion of a concession of 5000 acres. Trained mining men, as well as ordinary souls, were swept into the gamble, and syndicates promoted to send men to the locality, or to test blocks close to the original claim. For a month the market poised without another scrap of cable news, willing to believe that it was justified in doing so on the strength of the support afforded by the one check bore. Even if good bore results follow in the 100 acres, it is not certain that the dredge results will support them, to the extent of confirming the market valuation of £500,000 profits in the area. Then dealing went on over Hampton Plains shows. Because the Mntooroo got five to six feet of good grade ore at 50 feet, a valuation of over £135,000 was placed on the claim. What is assisting this last mining fluttering, undoubtedly is the presence of London in the market. Word has gone round that gold shows are popular there, and as the Hampton Celebration strike happened at the critical moment, Australia is benefiting by being able to supply the demand of the market.

A WOOL COMPANY.

The market also has busied itself in trying to assess how Australian wool-growers, and leading pastoral companies will fare if the profits that the British Government has made out of our wool clips are shared equally with the Commonwealth. Some of the leading companies are station owners. They have either bought properties, or have had to take them over. In that way, such companies have a double-barrelled interest in the outcome of Britain's wool trafficking. In the one hand they get their usual commission for handling the clip of the growers; secondly, they net a profit from their own clips. One concern that avoids station owning is the New Zealand Loan and Mercantile Agency

Co. No doubt this is because of the seasons of the boom, and the droughts of the 'nineties. Recently, its chairman took the opportunity to affirm that the company was, "as its name indicates, a loan and mercantile agency company." So it makes advances on properties, and on clips and other produce consigned to it for realisation, taking great care to obtain adequate security to cover the loan. The company, as a legacy of the reconstruction period, has the valuable service of £2,000,000 of debenture stock, at four per cent., and it has nearly another £1,000,000 of five per cent. preference stock. In these times of high interest rates, to be able to command capital, carrying such interest, is to be able to do well. That is what the late balance-sheet figures of the New Zealand Loan and Mercantile Agency Co. show. The net revenue earned in 1914 was £137,216; in 1918, the sum had increased to £164,176. In the meantime sums received by the company through the liquidation of the New Zealand Association, have enabled the directors, together with the sums available from current earnings, to stabilise the concern, by adding most largely to reserves, and writing down property. In addition, the dividend has been raised from five per cent. to six per cent., with a bonus of two per cent. additional in the 1918 term. The way in which the company turns its capital to account is shown by the fact that its advances total over £2,300,000, it has practically £500,000 in investments, which are valued at or under the ruling market price, and the merchandise on hand is valued at £260,000. What obtrudes on the balance-sheet figures is that £106,888 had to be provided in 1918 for land and income taxation, as against only £15,000 in pre-war days. Such imposts are the legacy of the company keeping its head office in London, and are so heavy, not only because of double taxation, but because of the operation of war-time profits taxation. Where the company has a decided advantage, is the strong hold it has on the New Zealand business. Apart from that fact, the lesson of hard times has not been lost on the management.

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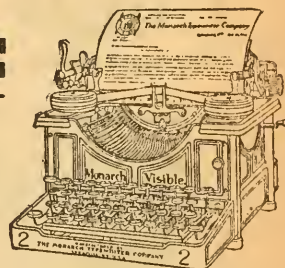
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"My cold, which had stubbornly resisted other medicines for several days, quickly broke under the influence of Heenzo, and after taking about half a dozen doses I was a different man altogether. I took Heenzo at intervals during the six days' race, and went on to the finish with winning colours. I think it my duty to tell Australians what Heenzo, an Australian remedy, did for me."

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DOES MY LADY KNOW THAT—



A useful toilet article to tuck away in the suit case when starting on a motor trip is a bottle of dry shampoo? These dry shampoos are most convenient, as they quickly take the oil and dirt out of the hair, giving it a fluffy, soft look. But the most essential of all toilet accessories on a motor trip is the cold cream jar. At the end of each day, the woman

who has been whirling along a dusty road in a motor car must thoroughly cleanse her face. She mustn't wash it off hastily with soap and water, but must rub into the skin a good cleansing cream. Let the cream stay on for a few minutes, then rub it out as thoroughly as it was rubbed in. After this, give the face a careful massage with a massage cream that your skin is used to. If one has the time, it's good to wipe off the face with a skin-toning lotion, then, with a soft cloth, pat the skin dry and apply a little powder.

Heat headaches are a common complaint of the dog days, and these are not always unavoidable. They are frequently constitutional to a large extent. Many such headaches, however, are caused through the sun beating on the back of the neck, and workers should be careful never to sit in a position where this happens. More people should wear hats which shade the nape of the neck. Women should carry parasols in the right way—that is, hold them over the back of the neck and shoulders, not forward over the eyes. Great care should be taken with heat headaches, as they often are, or may develop into, heat stroke. Too much food is bad: what is eaten should be light, nourishing, and

not too greasy, while liquids of any sort should be used sparingly. Alcohol not at all. Eau de cologne applied liberally to the scalp and forehead and behind the ears is good, but wherever possible "heat headaches" should stop work and rest. An hour's lie down in a darkened room will work wonders.

American cloth plays quite an important part in the new fashions? It is used for making the narrow leather belts which are so popular for wearing on the new coats. You see them in all colours, plain, perforated, stamped with white or another colour, but never wider than one inch. In embroidery, black American cloth is used effectively in unison with coarse thread, fine braid, and thread lace. There is a tailor-made in heavy cream blanket serge which has a sack coat trimmed with embroidery of this kind in a deep band all round the coat and a narrow black American cloth belt round the waist. Hats are also made with it, and nothing is more modern than a cream coat and skirt or little dress trimmed with black and white embroidery and a long coat with a small, soft hat of black American cloth, black silk stockings, and patent leather shoes.

As a set-off against the Dazzle season of gold and silver and jade and magenta, and all the rainbow of the Russian Ballet, special attention is being paid to black-and-white effects? There is nothing, of course, more becoming to people generally. The magpie note is at its best in the afternoon, or semi-between, dress.

Pendants are not elaborate affairs at present? The most popular consist of a single large stone, exquisitely cut, on a slender platinum chain. Aquamarine and moonstones have a strong appeal to the jewel-loving woman.

"Gold as a setting has practically disappeared," says a well-known jeweller, "platinum and palladium having usurped its place, and, without doubt, platinum is the setting which shows diamonds off

to perfection. The solitaire diamond takes first place in ring fashions at present, though it is run fairly close by the two-stone ring, with the stones, such as a choice diamond and a sapphire, set one above the other."

The watch ring, that marvel of the watchmaker's skill, is fashionable again, as is also the ring which opens to contain a miniature? The ring which has a mechanical contrivance to hold a cigarette when required is a novelty.

Bracelets are nearly all flexible, and composed entirely of precious stones? The chain bracelet and flexible gold bracelet, with or without a watch, are quite out of date. Above-the-elbow bracelets are of an infinite variety. Jade, both pink and green, onyx, amber, and tortoise-shell are the most popular, and in the case of the last two usually have a row of diamonds or pearls inserted. There is really nothing too bizarre for these bracelets to be made of.

In making a meringue for pies or puddings of beaten whites of eggs, if a very little baking-powder is added after the whites are thoroughly beaten, the egg will hold its shape?

Plum Sweetmeat is one of the very best preserves? Pit six pounds of plums (six pounds after pitting) and add same amount of sugar. Run three oranges and one lemon through the meat chopper, and add to plums, together with two pounds of seeded Sun-rayed raisins, and one pound of chopped nuts. Boil slowly until of the consistency of jelly, and put in glasses. If plums are very tart, lemon may be omitted, and all oranges used; the nuts may also be omitted, if wished, although some consider them a great addition.

When putting away newly embroidered linens, wash in the usual way and dip in very blue water. Dry and fold without ironing. When they are ready to be used, wash again and you will find that the linens have retained their original whiteness.

Water may be taken before and after meals, and during the meal, provided there is no food in the mouth? The habit of washing food down with liquids is a most pernicious one, causing indigestion and imperfect assimilation of food. A glass of water taken before breakfast acts as a laxative. In general, a child needs at least two quarts of

liquids a day. The tendency is not to drink enough. Water may be cooled, but should never be iced. Milk is a food, to be taken slowly, and should never be used to quench thirst.

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Occupation.....

THE CENSOR AND I.—VIII.

(Continued from page 216.)

sending them down to you, so that you can be perfectly certain that no use whatever is being made of them. I very much hope that you will agree to this proposal of mine, as once the war is over it can make little difference what is published.

To this communication I received the following reply:—

15th November, 1918.

No. 105,695.

With reference to your letter of the 6th instant, relative to the publication, *STEAD'S WAR FACTS*, I desire to inform you that the sheets and bound copies supplied by you will be held by this Department until Peace is declared, when the question of permitting publication, or of finally destroying them will be definitely decided.

There the matter rested for some weeks. The incoming American mail brought journals which told of the controversy that had raged over a book "Two Thousand Questions and Answers About the War," and its withdrawal from sale in the United States. On the strength of this information which threw new light on the affair, I addressed the following note to Mr. Trumble:—

4th December, 1918.

In further reference to the prohibition of the publication of *STEAD'S WAR FACTS*, I now learn that the complaint referred to in your letter of October 24th was evidently received from the British Ambassador to the United States.

Objection appears to have been taken in that country to a publication called "Two Thousand Questions and Answers About the War," which was issued by *The Review of Reviews* in New York. This book is a far larger volume than mine, and attempts to deal much more fully with the political aspect of the war than does mine, which is merely a reprint of answers given concerning matters of interest which arose as the struggle proceeded.

The American editors of "Two Thousand Questions and Answers About the War," cabled me to send them my book. This I did, and they have used much of my material. I have now had an opportunity of examining their volume, and find that they have added a great deal of what may be called contentious matter which I did not touch on at all in *STEAD'S WAR FACTS*. Much of the information they give, to my mind, had much better not have been given at all, and I can quite understand that objection was taken to it in the United States. It would certainly never have been allowed to appear in this country at all.

They have a complete section entitled, "Mainsprings of the War," containing matter which I would never have published here, and which does not appear in *STEAD'S WAR FACTS*. Another section, entitled "The Balkan Powder

Magazine," contains much material which I did not supply, and other sections, on Alsace-Lorraine, The Place in the Sun, Strategy of War, Military and Political, American Conduct of the War, contain very little of the material I sent them. In "How We Got Into It," and "The Freedom of the Seas," there is much material which I do not wonder exception has been taken to.

I find that in using my material, they have set it in the midst of other questions, and have sub-divided my paragraphs in a way that causes a total effect entirely different from that given in my little book.

"Two Thousand Questions and Answers About the War" is a quite different publication from *STEAD'S WAR FACTS*. The latter is an entirely colourless catechism upon the many points on which people reading the papers from day to day wished to have enlightenment. The former endeavours to explain why the war started, tells of the reasons why the United States entered it, discusses the question of the German desire for a place in the sun, and compares her aspirations with those of Great Britain. It is not a mere book of information on matters connected with the war. It touches on politics and motives in a way I did not intend to do, or, indeed, desire to do.

I find that in their explanation concerning the tone of the book, the editors of "Two Thousand Questions and Answers About the War," stated that as it had been based upon advance sheets from Henry Stead, the editors had not given it the necessary searching scrutiny. As a matter of fact, I am convinced that had they merely used my material as it was passed by the Censor here, no one could have raised the slightest objection to the tone of the book. It is the additions they have made which called forth the objections to it in the United States.

I am writing you now to know whether the objection conveyed through the British Ambassador at Washington to the Federal Government was against the book, "Two Thousand Questions and Answers About the War," or whether it was specifically based on a perusal of *STEAD'S WAR FACTS* itself—as I have pointed out, practically an entirely different publication.

I should be glad to have your early answer on this matter, as if the book has been prohibited in error for another it could, presumably, be immediately put on sale again.

P.S.—I find that, in accordance with a request of yours, I sent you a copy of *STEAD'S WAR FACTS* for the War Museum.

To this I got no reply. Still later American papers referred to the reissue of the Two Thousand Questions book with the objected to parts cut out, and this prompted a further letter:—

10th December, 1918.

I regret that I have as yet had no reply to my letter to you of 4th December, in *re STEAD'S WAR FACTS*, for, as each day passes the chance of selling any copies of this book becomes less.

Since writing you I have obtained further information on the matter from the American

papers. I find that the book, "Two Thousand Questions and Answers About the War," which was objected to by the American Government, has now been allowed to appear with the portions objected to omitted.

I find that the section omitted to conform with the wishes of the American authorities is the first portion of the book, to which, as I pointed out in my letter of December 4th, I myself would have taken exception. In this section, which deals with Mainsprings of the War, the Balkan Powder Magazine, Austria and the Slavs, the Tragic Wound, Alsace-Lorraine, the Place in the Sun, How We Got Into It, and the Freedom of the Seas, there is very little of the material I supplied to the American publisher; in fact, the only questions and answers in this section which I supplied deal with nothing but statistical matter—for instance: How many people live in Roumania? What are the religions of the *Entente's* Allies? What is a Czech? How long did the Franco-Prussian War last? What is the area of Egypt? and the like.

When I suggested that it might be possible for me to omit the particular passages objected to in STEAD'S WAR FACTS, you informed me that this could not be done, as objection was taken to the whole tone of the publication. This objection was, presumably, taken by the American authorities. Yet this American book, "Two Thousand Questions and Answers About the War," is allowed to be re-issued after certain sections were omitted. These sections contained admittedly contentious matter, but, as I have pointed out, there was in them very little of what I sent.

The position seems to me to be as follows:—The American Government, assuming that STEAD'S WAR FACTS and "Two Thousand Questions and Answers About the War," are practically the same book, requests the suppression of STEAD'S WAR FACTS. It then permits the re-publication of "Two Thousand Questions and Answers About the War," after material which did not appear in STEAD'S WAR FACTS at all has been omitted. Yet, when I request that I may be allowed to omit anything deemed objectionable from STEAD'S WAR FACTS I am informed that it is the whole tone of the publication which is objected to.

It is quite clear to me that in suppressing STEAD'S WAR FACTS the authorities here were acting under an entire misapprehension, an error which has been a serious matter to me. Not only has it meant considerable monetary loss, but the action taken has caused people to imagine that I was responsible for a publication the tone of which was objectionable.

Your early reply to this note, and to my letter of December 4th would much oblige.

My case was so clear that after a week's cogitation, the authorities deemed it necessary to safeguard themselves by discovering a new reason for suppression. Accordingly Mr. Trumble wrote the short note below:—

No. 115,880.

16th December, 1918.

With reference to your letter of the 4th inst., relative to the publication of STEAD'S

WAR FACTS, I have to inform you that though the prohibition of publication took place on account of a complaint from a British Ambassador, the book is on the prohibited list on account of its contents being prejudicial to Allied interests.

Needless to say, I hastened to point out that the whole position was now changed, and asked why the authorities put a book on the prohibited list which they had twice approved.

19th December, 1918.

I have your favour of December 16th, in which you inform me that this book is now on the prohibited list on account of its contents being prejudicial to Allied interests.

As I have pointed out to you in previous letters, the objection of the American Government to "Two Thousand Questions and Answers About the War," disappeared when certain portions of that book were omitted. Those portions are not to be found in STEAD'S WAR FACTS, and therefore I maintain that the complaint by the British Ambassador at Washington was made in error.

You now take up the attitude that, whilst in the first place the book was put on the prohibited list because of his representations, it is to remain on because of its contents are prejudicial to Allied interests. This puts the whole matter on a different plane. As long as an Allied Government had raised the objection and maintained it I could only submit to your decision. Now, however, I am entitled to know why you maintain a book on the prohibited list, the publication of which was officially authorised by you through the Censor early this year.

Publication would not have taken place without your permission, but having once given that permission, you are surely not entitled to arbitrarily alter your mind later on after the expense of production has been incurred. You are now keeping the book on the prohibited list, not at the request of an Allied Government, but on your own authority, and that being so, would you be good enough to explain why, in March last, you officially approved of a publication which you now refuse to allow to be sold?

After the Department had had its Christmas holiday Mr. Trumble wrote:—
No. 700. 3rd January, 1919.

With reference to your letter of the 19th December, relative to STEAD'S WAR FACTS, I have to inform you that the passing by the Censor of any publication does not in any way prevent its prohibition if at any later period it is considered advisable that its distribution should be stopped.

With reference to your publication, STEAD'S WAR FACTS, it is not considered advisable that its distribution should continue at the present time. You may again raise this question at the conclusion of the Peace Conference when your application will be considered.

In reply I set out the position as I saw it:—

7th January, 1919.

I have your letter of 3rd January replying to mine of 19th December.

I regret very much that, although in the first instance the sale of STEAD'S WAR FACTS was admittedly prohibited at the request of the American Government, when you learn that the objection raised at Washington was to a different book, and that even that book is now allowed to appear containing all that is in my publication, you will not now withdraw your prohibition. Instead you make the excuse that your own Department does not now consider it advisable that STEAD'S WAR FACTS should be distributed at the present time.

This seems to me a most naive excuse, as, if there could have been any objection whatever to the publication, it would surely have been manifest early last year, when circumstances in Europe were by no means cheering. Yet at that time I obtained the permission of your Department to publish the book. Now, when the Allies have won the victory and are concerned only with the terms they are to enforce on Germany, you suddenly find out that STEAD'S WAR FACTS is a publication which ought not to be circulated here.

The natural inference is that, having in the first case prohibited the sale solely at the request of the American Government, when you find that that protest was made in error you are endeavouring to cover yourselves by making the discovery that the book of which you approved nine months ago is now one which ought not to circulate.

I note that you say that the passing of a publication by the Censor does not in any way prevent its prohibition if at any later period it is considered advisable that its distribution should be stopped. Yet surely, by arbitrarily suppressing a publication of which you have approved, you incur certain liability and ought to reimburse the publisher who suffers for your sudden change of mind.

The correspondence closed with the brief note of Mr. Trumble below:—

No. 5990. 11th January, 1919.

With reference to your letter of the 7th inst., relative to STEAD'S WAR FACTS, I have to inform you that the contents of your letter are noted as a statement of the position from your point of view.

The Armistice was signed on November 11th, 1918, and the Department might well have admitted its mistake, and allowed STEAD'S WAR FACTS to be sold again. Instead it refused to permit me to make good some of my loss by endeavouring to dispose of the copies I had on hand, and, at the same time, carefully refused to admit that I had grounds for compensation. The book was not taken off the list until August, 1919, and only then, thanks to many questions being asked in Parliament on the subject.



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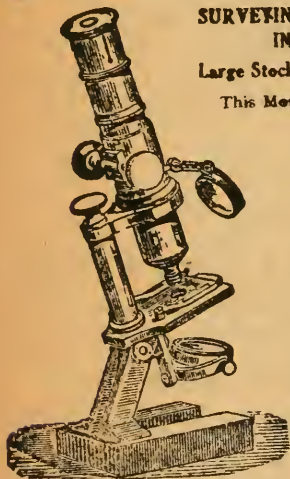
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Mr. Frederick A. Talbot, writing in *The World's Work*, propounds the question: "Is the British motor industry in danger?" In 1914, it was on the verge of disaster. "American and Continental competition, conducted along highly organised lines, had reached a point in its advance which home effort had lamentably failed to stem." Although the financial situation is at this moment stronger than it ever was, there exists considerable misgiving as to whether the industry, crammed though it is to its whole capacity with orders, will rise to the occasion:—

"Why? The reason is not far to seek. The American manufacturers, the most relentless competitors, think in thousands, whereas the average British producer is content to think in tens, perhaps hundreds. He lacks imagination, is hesitant, and expresses doubt concerning the available market. It is this hesitation which is likely to lead to undoing.

"In this country there is too pronounced a tendency to study personal idiosyncrasy upon the part of the motorist. Every effort is made to give him precisely what he wants. To study the customer is a laudable system of trading, but it can be carried to excess, as the experience in other industries has conclusively proved. If pursued to its logical conclusion, it is almost certain to be attended with financial disaster, and certainly reacts against mass production. The American producer was confronted with this situation. Years ago American exporters, in their grim determination to secure a firmer footing in foreign

markets, set out to study the requirements of each customer, hoping thereby to build up their good-will and custom. But the practice proved a dismal failure. The only results recorded were the stocking of valuable buildings with bewildering ranges of articles which fundamentally were identical, but which differed from one another slightly in the frills and trimmings or finish.

"Individual study brought no big business. Thereupon the manufacturers decided to produce an article likely to appeal to the greatest number, and to turn them out in an endless stream, raising the manufacturing equipment to its 100 per cent. capacity. The purchaser upon receiving the article was at liberty to gratify any personal whim. 'If this, that, or some other detail did not meet with his approbation, well, he could have it changed—after he had bought and paid for the car.'

Can England produce a £200 car? Mr. Talbot states that "according to competent authorities there is not a single establishment in England to-day effectively equipped with machinery for the mass production of a low-priced car." There is an American machine tool which has been found to reduce the cost of producing certain expensive parts by 90 per cent. But it costs £10,000 to install, and is practically absent from English factories. The laying out of a factory for the production of a £200 car involves the reduction of the cost of every component part to a minimum, the working of every machine to 100 per cent. capacity, and a total output of at least 100,000 cars a year; and the

British manufacturer has not been too ready to recognise those essentials. Moreover, with "British superiority of quality" in his mind, he has regarded the building of cheap cars as rather derogatory. Nevertheless, Mr. Talbot thinks that, given certain reforms in trade practice, the Britisher could make as great a success of mass production as anybody else. An effort should be made to dispense with the agent. "A powerful selling machine, organised and maintained by all the producers, should be created." In other words, manufacturers must drop their individualism, and go in for co-operative publicity. In overseas trade, especially, the competition between individual manufacturers should give place to a central organisation for the benefit of each and all:—

"While the outlook for the British motor manufacturing industry is certainly obscure, there is no need for alarm if the situation be handled boldly, enterprisingly, and along the most comprehensive lines. The sinews of war are assured. It is production and the selling ends which are the weak links in the chain, coupled with delayed deliveries. The first step is to regain the confidence of the purchasing public; to convince it that the goods will be delivered as per contract.

"The high-priced car, standing as it does upon its own footing, is not af-

fected. In this connection there need be no anxiety. We have this branch of the industry completely in our hands, both at home and abroad. But it is severely limited when surveyed from the general point of vantage.

"The low-priced car is in demand, and is the key to the whole situation. This is the market upon the capture of which effort should be concentrated. Success in this field will automatically secure the secondary conquest—the market for the moderate-priced car. The two are inter-connected, although the relation may not be apparent. Will our manufacturers rise to the occasion? Shall we be supreme in this field, or will the motor go the way of the watch industry, and become only a memory?"

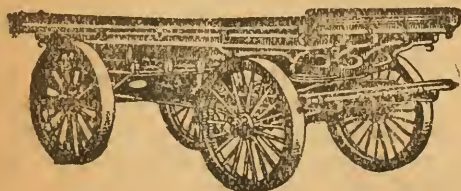
Nothing is more useful among the odd tools which should be in the garage than a pair of tin snips. This tool may be purchased at any ironmongers for a few shillings, and will be found useful not only for cutting tin, sheet brass and the like, for making metal washers, or any other little gadget, but is quite the best thing for cutting leather washers. Of course, these ought to be punched, but a special punch is needed for each size, and a complete set is very costly. Tin snips do the work quite well, though ordinary scissors fail lamentably, save when the thinnest leather is used.

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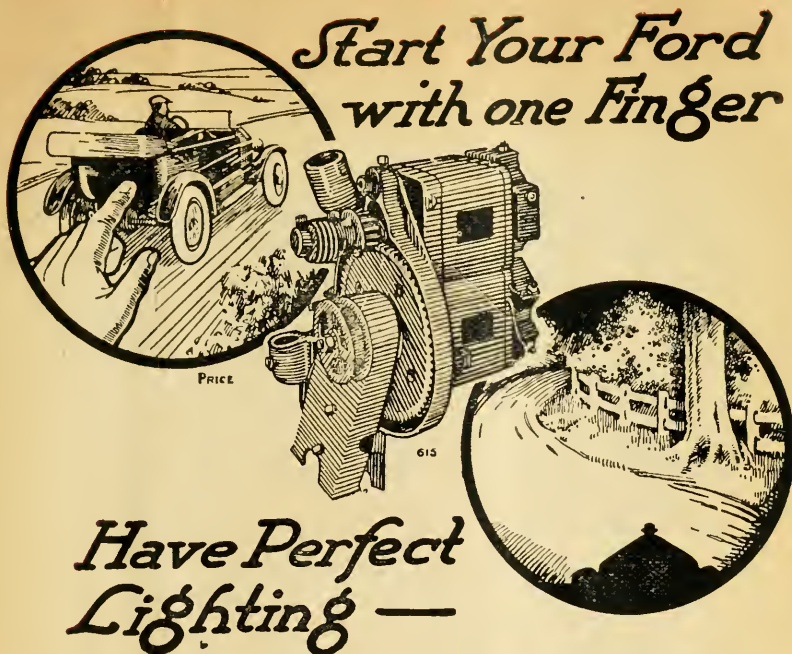
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